NOTE

This Microfiche meets the quality requirements of the American National Standard for Microfiche of Documents (ANSI PH5.9-1975). However, because of imperfections in the document from which it was made, it contains images that are illegible or difficult to read. The source document for this microfiche is the best copy that could be obtained prior to filming.

CIS Congressional Information Service
Washington, D.C.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1991

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

NEAL SMITH, Iowa, *Chairman*

BILL ALEXANDER, Arkansas	HAROLD ROGERS, Kentucky
JOSEPH D. EARLY, Massachusetts	RALPH REGULA, Ohio
BERNARD J. DWYER, New Jersey	JIM KOLBE, Arizona
BOB CARR, Michigan	
ALAN B. MOLLOHAN, West Virginia	

JOHN G. OSTHAUS and GEORGE H. SCHAFER, *Subcommittee Staff*

PART 2

DEPARTMENT OF JUSTICE

	Page
Attorney General	1
General Legal Activities and Civil Liberties Public Education Fund	217
United States Attorneys	495
Antitrust Division	567
Federal Bureau of Investigation	625
United States Marshals Service, Support of United States Prisoners, and Assets Forfeiture Fund	825
Drug Enforcement Administration	963
Organized Crime Drug Enforcement	1117
General Administration and Fees and Expenses of Witnesses	1219
United States Trustees	1317
Community Relations Service	1361
Foreign Claims Settlement Commission	1409
Federal Prison System	1431
United States Parole Commission	1591
Immigration and Naturalization Service	1615
Office of Inspector General	1799
Office of Justice Programs	1865

Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE

29-646 O　WASHINGTON : 1990

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

H181-44

COMMITTEE ON APPROPRIATIONS

JAMIE L. WHITTEN, Mississippi, *Chairman*

WILLIAM H. NATCHER, Kentucky
NEAL SMITH, Iowa
SIDNEY R. YATES, Illinois
DAVID R. OBEY, Wisconsin
EDWARD R. ROYBAL, California
LOUIS STOKES, Ohio
TOM BEVILL, Alabama
BILL ALEXANDER, Arkansas
JOHN P. MURTHA, Pennsylvania
BOB TRAXLER, Michigan
JOSEPH D. EARLY, Massachusetts
CHARLES WILSON, Texas
LINDY (MRS. HALE) BOGGS, Louisiana
NORMAN D. DICKS, Washington
MATTHEW F. McHUGH, New York
WILLIAM LEHMAN, Florida
MARTIN OLAV SABO, Minnesota
JULIAN C. DIXON, California
VIC FAZIO, California
W. G. (BILL) HEFNER, North Carolina
LES AuCOIN, Oregon
DANIEL K. AKAKA, Hawaii
WES WATKINS, Oklahoma
WILLIAM H. GRAY III, Pennsylvania
BERNARD J. DWYER, New Jersey
STENY H. HOYER, Maryland
BOB CARR, Michigan
ROBERT J. MRAZEK, New York
RICHARD J. DURBIN, Illinois
RONALD D. COLEMAN, Texas
ALAN B. MOLLOHAN, West Virginia
LINDSAY THOMAS, Georgia
CHESTER G. ATKINS, Massachusetts
JIM CHAPMAN, Texas

SILVIO O. CONTE, Massachusetts
JOSEPH M. McDADE, Pennsylvania
JOHN T. MYERS, Indiana
CLARENCE E. MILLER, Ohio
LAWRENCE COUGHLIN, Pennsylvania
C. W. BILL YOUNG, Florida
RALPH REGULA, Ohio
VIRGINIA SMITH, Nebraska
CARL D. PURSELL, Michigan
MICKEY EDWARDS, Oklahoma
BOB LIVINGSTON, Louisiana
BILL GREEN, New York
JERRY LEWIS, California
JOHN EDWARD PORTER, Illinois
HAROLD ROGERS, Kentucky
JOE SKEEN, New Mexico
FRANK R. WOLF, Virginia
BILL LOWERY, California
VIN WEBER, Minnesota
TOM DeLAY, Texas
JIM KOLBE, Arizona
DEAN A. GALLO, New Jersey

FREDERICK G. MOHRMAN, *Clerk and Staff Director*

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1991

THURSDAY, MARCH 8, 1990.

DEPARTMENT OF JUSTICE

ATTORNEY GENERAL

WITNESSES

DICK THORNBURGH, ATTORNEY GENERAL

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

Mr. SMITH. This morning we begin the hearings on the fiscal year 1991 budget request for the Department of Justice. The request is for $8,316,132,000 which happens to be an increase of only $320,000 over the fiscal 1990 final appropriations.

We will insert the Department of Justice Budget Summary into the record at this point.

[The Justice Budget Summary follows:]

U.S. Department of Justice
Justice Management Division

FY 1991
Budget Summary

Prepared by:
Budget Staff
Justice Management Division
Winter 1990

DEPARTMENT OF JUSTICE
Table of Contents

Item — Page

Summary of Budget Authority by Appropriation, 1989 - 1991 1

Summary of 1990 Supplemental Language Requests 2

Summary of 1991 Appropriation Language Changes 2

Summary of General Provisions 8

Summary of 1991 Authorization Bill 9

1991 Estimates Compared with 1989 and 1990 Requirements 10

1991 Summary of Requirements 12

General Administration 16
Office of Inspector General 21
U.S. Parole Commission 23
General Legal Activities 24
Antitrust Division 31
Foreign Claims Settlement Commission 33
U.S. Attorneys 34
U.S. Marshals Service 36
Support of U.S. Prisoners 40
Fees and Expenses of Witnesses 42
Community Relations Service 44
Independent Counsel (Permanent Indefinite Appropriation) 45
Civil Liberties Public Education Fund (Advance Appropriation) 46
U.S. Trustees System Fund (Special Fund) 47
Assets Forfeiture Fund (Special Fund) 48
Organized Crime Drug Enforcement 49
Federal Bureau of Investigation 52
Drug Enforcement Administration 59
Immigration and Naturalization Service:
  Salaries and Expenses 64
  Immigration Emergency Fund 69
  Immigration Legalization (Permanent Indefinite Special Fund) 70
  Immigration User Fee (Permanent Indefinite Special Fund) 71
  Immigration Examinations Fee (Permanent Indefinite Special Fund) 72

Federal Prison System 73
  Salaries and Expenses 74
  National Institute of Corrections 77
  Buildings and Facilities 78
  Federal Prison Industries, Incorporated 80

Office of Justice Programs:
  Office of Justice Assistance 81
  Public Safety Officers Benefits 85
  Crime Victims Fund (Permanent Indefinite Special Fund) 86

DEPARTMENT OF JUSTICE

Summary of Budget Authority by Appropriation
(In thousands of dollars)

Appropriation	Fiscal year		
	1989	1990	1991
General Administration	$85,562	$96,450	$101,061
Emergency Drug Funding	71,000	...	...
Office of Inspector General	9,382	20,541	28,382
U.S. Parole Commission	10,893	10,500	9,869
Legal Activities:			
General Legal Activities	246,594	294,889	338,546
Antitrust Division	44,937	31,817	33,730
Foreign Claims Settlement Commission	472	440	490
U.S. Attorneys	460,212	518,864	628,095
U.S. Marshals Service	205,129	237,861	288,529
Support of U.S. Prisoners	110,100	158,437	193,034
Fees and Expenses of Witnesses	52,203	56,027	70,628
Community Relations Service	27,858	28,930	28,172
Total, Legal Activities	1,147,505	1,327,265	1,581,224
Organized Crime Drug Enforcement	...	214,921	330,000
Federal Bureau of Investigation	1,439,100	1,499,444	1,640,237
Drug Enforcement Administration	534,450	548,709	700,000
Immigration and Naturalization Service	822,023	842,297	884,349
Immigration Emergency Fund	...	35,000	...
Federal Prison System:			
Salaries and Expenses	952,426	1,138,705	1,371,882
National Institute of Corrections	9,590	9,973	10,007
Buildings and Facilities	580,414	1,396,953	374,358
Total, Federal Prison System	1,542,430	2,545,631	1,756,247
Office of Justice Programs:			
Justice Assistance	321,022	614,290	587,515
Public Safety Officers Benefits	...	24,818	26,075
Total, Office of Justice Programs	321,022	639,108	613,590
SUB-TOTAL, DEPARTMENT OF JUSTICE	5,983,367	7,779,866	7,644,959
Pre-merger Filing Fees	...	19,749	20,000
Interstate Commerce Commission Transfer	...	...	1,394
Independent Counsel	8,236	5,916	4,000
Civil Liberties Public Education Fund	...	...	500,000
U.S. Trustee System Fund	47,370	60,039	65,673
Assets Forfeiture Fund	273,823	356,847	372,000
Immigration Legalization	63,889	54,025	37,568
Immigration User Fee	108,456	103,530	110,000
Immigration Examinations Fee	90,939	103,244	90,000
FPI Borrowing Authority	20,000	...	...
Crime Victims Fund	93,559	123,250	125,000
TOTAL, DEPARTMENT OF JUSTICE	6,689,639	8,606,466	8,970,594

DEPARTMENT OF JUSTICE

1990 SUPPLEMENTAL LANGUAGE REQUESTS

Supplemental language is requested to make funds from the Vaccine Compensation Trust Fund available to the Department of Justice (DOJ) at the level authorized in the Budget Reconciliation Act of 1989 ($1,500,000).

The Attorney General is authorized by the Federal Debt Recovery Act of 1986 (FDRA - P.L. 99-578, 31 U.S.C. Sec. 8718(b)) to run a pilot project for 3 years to test the effectiveness of contracting with debt collection lawyers in the private sector to assist with the collection of delinquent Federal Debt. The FDRA authorizes the pilot project only through August 31, 1990, after which the program is due to terminate. This supplemental language change would extend the pilot project through September 30, 1992. The extension is necessary due to unforeseen problems which arose in the process of letting the contracts to run the pilot project, including the successful defense of a protest before the General Services Administration's Board of Contract Appeals. As a result of these delays, DOJ was unable to get the project operational in the first five pilot districts until September 1989. Extending the program until September 30, 1992, would provide the necessary time to judge the program's effectiveness.

Proposed supplemental language requests that 1989 funds transferred from the Assets Forfeiture Fund to the Building and Facilities account of the Federal Prison System may be used for the construction of detention cells operated by the Immigration and Naturalization Service and for renovations of holding cells run by the U.S. Marshals Service.

The final 1990 language change (section 605 of the General Provisions in the Commerce, Justice, State Appropriations Act, 1990) would make fees collected by the Federal Trade Commission for pre-merger reviews available until expended.

1991 APPROPRIATION LANGUAGE CHANGES

Changes proposed from 1990 to 1991 in the Department of Justice Appropriations Act, hereafter identified as the Act, do not explain the full scope of proposed language changes because the Department of Transportation and Related Agencies Appropriations Act, 1990 (P.L. 100-164) includes certain authorities in Title IV, Emergency Drug Funding, that are brought forward into the 1991 Department of Justice request either in full or in part. Although, P.L. 100-164 provided few authorities that the Department did not already have, the increased limitations on the amounts that could be spent on certain programs was significant in some cases. Where this occurs, the net changes in limitations are addressed.

General Administration. Language is added earmarking funds for the purpose of consolidating Department components in the Washington Metropolitan area and for a major renovation of the Main Justice building. The Facilities Program 2000 which will be accomplished over a 10-year period requires no-year funding.

General Legal Activities. The limitation on the amount available for the operation of the United States National Central Bureau, INTERPOL, is reduced from $5,751,000 to $5,639,000. Sequestration in 1990 will not permit the use of the full amount identified in the legislative limitation.

The 1991 request continues the limitation of $6,000,000 on the amount that shall remain available for litigation support contracts after the end of the fiscal year. The time limitation is updated to expire September 30, 1992.

The $12,160,000 limitation in the 1990 Act on the amount that shall remain available until expended for office automation systems for the legal divisions, the U.S. Attorneys, and offices supported by the General Administration appropriation is increased to $23,171,000 in 1991.

Language authorizing the United States Central Bureau, INTERPOL to establish and collect fees to process name checks and background records for non-criminal employment, licensing, and humanitarian purposes and credit fees to cover costs is deleted from the 1991 request. The insertion of a "hereafter" clause in the 1990 Act makes it unnecessary to reenact this language.

The 1990 Act contains language which authorized the Attorney General to establish and collect fees to cover the cost of identifying, copying, and distributing copies of tax decisions rendered by the Federal Judiciary. This provision was never activated because of its repeal in the Foreign Operations, Export Financing, and Related Agencies Appropriations Act, 1990, Sec. 599F (103 Stat. 1264)

Language inserted in 1990 permitting $1,000,000 to be transferred from the National Childhood Vaccine Injury Compensation Fund to the Department of Justice is increased to $1,500,000 in the 1991 request. The higher amount was authorized in the Omnibus Budget Reconciliation Act of 1989.

The General Legal Activities heading mistakenly includes language in 1990 that should have fallen under a heading titled Civil Liberties Public Education Fund. This language authorizes spending the maximum amount authorized by the Civil Liberties Act of 1988 which specified a payment of $20,000 to each person of Japanese ancestry interned in World War II who was alive on the date the Act was passed. Sec. 209 of the Act formally amended the Civil Liberties Act of 1988 (P.L. 100-383) by providing payments beginning in 1991.

It should be noted that a provision in the Emergency Drug Funding title of the Department of Transportation and Related Agencies Appropriations Act, 1990 allowing $41,476,000 to remain available until expended has no comparable carryover provision in 1991.

Antitrust Division. Section 605 of the Commerce, Justice, State Appropriations Act, 1990 established a $20,000 fee for filing pre-merger notifications required by the Hart-Scott-Rodino Antitrust Improvement Act of 1976. This section provides that fees collected in FY 1990, up to a total of $40,000,000, shall be evenly divided between the Federal Trade Commission and the Antitrust Division. The request would allow fees made available to the Antitrust Division in 1991 to remain available until expended. A similar supplemental proposal would allow fees collected in 1990 to remain available until expended.

Foreign Claims Settlement Commission. Authorities previously enumerated for the Commission in annual appropriation acts have been deleted because the insertion of a "hereafter" clause in the 1990 Act makes it unnecessary to reenact this language.

United States Attorneys. Language is proposed which sets a ceiling of $5,000,000 for selected activities related to debt collection. An earmarking of $5,000,000 for debt collection in the 1990 request was changed to a limitation in the 1990 Act.

The 1990 Act set a limit of $8,000 for official reception and representation expenses. In 1991, the U.S. Attorneys would receive a reception and representation allowance out of a $95,000 limitation requested for the Department. This proposed limitation is requested in Sec. 201 of the Department's general provisions.

United States Marshals Service. Language is added requesting authority to purchase passenger motor vehicles for police-type use without regard to the general purchase price limitation for the current fiscal year. This will permit direct purchase of vehicles instead of continuing the lease-purchase arrangement under which vehicles have been acquired previously.

Language is also added which would permit up to $12,653,000 of the 1991 appropriation to be available until expended for the renovation and construction of holding facilities. The funds would permit renovation of 115 courtroom holding cells, prisoner detention areas, and the Foley Square courtroom elevator. Marshals Service appropriations have previously been available for these purposes but this expanded program requires more than one year to fully implement a number of the proposed projects.

Beginning in 1987, the Director of the Marshals Service was permitted to collect fees and pay expenses for the service of civil process and credit not to exceed $1,000,000 to the appropriation to cover expenses incurred. The 1990 Act inserted a "hereafter" clause, which would have made it unnecessary to restate this authority on an annual basis, but it also removed the $1,000,000 limitation. The 1991 request strikes the "hereafter" clause and restores the previous dollar limitation on expenses.

The 1990 Act set a limit of $6,000 for official reception and representation expenses. In 1991, this authority is proposed for deletion in favor of a Department limitation of $95,000 which would be available for allocation among the Department's various components.

Support of United States Prisoners. Under current law this appropriation is available for the support of prisoners only in non-Federal institutions. The proposed change expands the authority of the Marshals Service to use any facility that may be obtained to house unsentenced prisoners in the custody of the Marshals Service.

In the 1990 budget, the request for the Cooperative Agreement Program was $15,000,000. The Department of Justice Appropriations Act, 1990 provided not to exceed $5,000,000, but the Department of Transportation and Related Agencies Appropriations Act, 1990, added another $10,000,000 to the limitation. The 1991 request of $15,000,000, therefore, represents no net change from the program level approved for 1990.

Fees and Expenses of Witnesses. The limitation on the funds for protected witness safesites that remain available until expended is increased from $1,690,000 to $2,000,000.

Language included in the 1990 Act allowing the Attorney General to enter into reimbursable agreements with other Federal agencies or components of the Department to pay private counsel expenses to defend Federal Government employees is stricken from the 1991 request. This provision contains a "hereafter" clause and, therefore, does not need to be repeated in 1991.

Similarly, a language provision authorizing litigating components to reimburse this account, for expert witness expenses when it appears current allocations will be exhausted for cases scheduled for trial is deleted from the 1991 request.

Community Relations Service. The limitation on the Cuban/Haitian entrant program is reduced from $21,500,000 to $20,214,000.

Asset Forfeiture Fund. The request of $100,000,000 for program expenses requested in 1991 is the same as the sums provided in the Department of Justice and Department of Transportation Appropriations Acts, 1990.

Organized Crime Drug Enforcement. The 1990 Act permitted this appropriation to reimburse participating agencies for costs incurred between October 1, 1989 and the date the Department of Justice Appropriations Act was approved (Nov. 21, 1989). This language was added because the usual terms of continuing resolutions did not assure that activities funded in previous years from one funding source could be reimbursed from a newly-established appropriation for work performed during the period in which continuing resolutions remained in force.

Also deleted is a provision relating to the Office of Justice Programs (OJP) that determined how formula grants for the Drug Control and System Improvement Grant Program shall be allocated by state. Although no language change is proposed under the OJP heading, this provision is discussed there because it is germane only to OJP.

Federal Bureau of Investigation. The number of passenger motor vehicle that can be purchased for police-type use without regard to the general purchase price limitation is increased from 2,730 to 3,136. For replacement vehicles, the number is increased from 1,850 to 2,125.

Two-year budget authority of $25,000,000 for automatic date processing and $1,000,000 for undercover operations is extended into 1991 on the same basis as in 1990.

A $15,000,000 earmarking for the construction of Pod B of the Engineering Research Facility at Quantico, Virginia contained in the 1990 Act is deleted because it is a one-time requirement.

Language is also included that would permit $10,000,000 previously appropriated for the Washington Metropolitan Field Office to be used for other activities funded by the Federal Bureau of Investigation (FBI).

Drug Enforcement Administration. The number of passenger motor vehicles that can be purchased for police-type use without regard to the purchase price limitation is increased from 703 to 1,293. For replacement vehicles, the number is increased from 489 to 775.

For research, the amount permitted to remain available until expended is increased from $1,200,000 to $1,800,000.

For purchase of evidence and payments for information, the amount permitted to remain available for two fiscal years is increased from $1,700,000 to $4,000,000.

For contracting for ADP and telecommunications equipment, the amount permitted to remain available for two fiscal years is reduced from $9,638,000 to $4,000,000.

For technical and laboratory equipment $2,000,000 is proposed to remain available for two years, the same provision that was in effect in 1990.

For the purchase of aircraft and related equipment $20,550,000 is proposed to remain available until September 30, 1992.

Language has been added for a new aviation facility. The $10,000,000 requested to remain available until expended includes funds for planning, construction, purchase of equipment and other associated costs.

The 1990 Act set a limit of $30,000 for official reception and representation expenses. In 1991, this authority is proposed for deletion in favor of a Department limitation of $95,000 which would be available for allocation among the Department's components.

Immigration and Naturalization Service. The number of replacement passenger motor vehicles that may be purchased without regard to the general purchase price limitation is reduced from 620 to 504.

The construction program increases the amount that can be made available until expended from $7,188,000 to $17,188,000. The 1991 construction program includes new border patrol stations and traffic checkpoints along the southwest border, including a major facility at San Clemente, California, and expansion of the Krome detention facility in Florida.

A provision allowing the transfer of capital assets acquired by the Immigration Legalization account for other uses by the Immigration and Naturalization Service is deleted because the insertion of a "hereafter" clause in the 1990 Act makes it unnecessary to reenact this language.

Until the Department of Justice Appropriations Act, 1990 was passed, the Immigration Examinations Fee Account was required to transfer its first $50,000,000 in receipts to the United States Treasury. The 1990 Act also amended the U.S. Code so that beginning in 1990 all adjudication and naturalization activities must be funded from fees.

The 1990 Act set a limit of $5,000 for official reception and representation expenses. In 1991, this authority is proposed for deletion in favor of a Department limitation of $95,000 which would be available for allocation among the Department's components.

Federal Prison System - Salaries and Expenses. The number of law enforcement and passenger motor vehicles that may be purchased is increased from 159 to 330. For replacement only, the number is increased from 55 to 90.

The 1990 Act set a limit of $3,000 on reception and representation expenses. In 1991, this authority is proposed for deletion in favor of a Department limitation of $95,000 which would be available for allocation among the Department's components.

Office of Justice Programs - Justice Assistance. The Anti-Drug Abuse Act of 1988 (P.L. 100-690) amended the Omnibus Crime Control and Safe Streets Act so that the number of legislative references in appropriation language could be reduced. This precluded the need to reference the Edward Byrne Memorial State and Local Law Enforcement Assistance Program, and the Missing Childrens' Assistance Act.

During debate on the 1990 Act, Congress decided that formula grants distribution authorized for the Drug Control and System Improvement Grant Program should be modified. Rather than retaining a floor of $500,000 as the minimum state allocation, the minimum was set at $500,000 or 25 percent whichever is greater. This change is reflected under the Organized Crime Drug Enforcement (OCDE) heading and permanently amends substantive law. The OCDE language supercedes Sec. 212 of the Act that was erroneously retained in the enrolled bill.

The 1991 request for $7,500,000 for the Juvenile Justice and Delinquency Prevention Act would focus resources on a newly-authorized, high-risk youth, discretionary, hard-cash-match grant program which would address special problems with gangs and drugs. The Department of Transportation Appropriations Act, 1990, provided $8,821,000 for work in this area.

For the Regional Information Sharing System (RISS), the Administration proposes appropriating $9,750,000 in 1991. With a 25-percent matching requirement from participants, the program could be financed at an operating level of $13,000,000.

GENERAL PROVISIONS

Section 201 of the Department of Justice (DOJ) Appropriations Act, 1991, requests that a total of not to exceed $95,000 from funds appropriated to the DOJ may be available for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General. This provision puts entertainment funds under one limitation where it can be better regulated and controlled.

Section 202 requests that, at the discretion of the Attorney General, no more than two percent of any DOJ appropriation may be transferred to any other appropriation. No more than two percent may be transferred into or out of any appropriation. All transfers are required to be reported to the House and Senate Appropriations Committees.

Section 202 also continues to provide that, for the FBI and Drug Enforcement Administration (DEA), amounts used for undercover operations may be used for purchasing property, buildings, other facilities, leasings of space, establishing business entities as part of undercover operations. Any such proceeds from these undercover operations may be deposited in banks or other financial institutions, without regard to Section 648 of title 18 of the United States Code (USC) and section 3302 of title 31 USC. When these sums are no longer required for undercover operations, they are to be deposited to the U.S. Treasury as miscellaneous receipts. This provision also requires FBI or DEA to conduct financial audits of each undercover operation as necessary.

Section 207 was erroneously updated in the budget request, but should have been proposed for deletion. Deletion of this section will return the matching provision for State and local drug grants to 50 percent, as provided in the Anti-Drug Abuse Act of 1988.

Section 208 would allow deposits transferred from the Assets Forfeiture Fund to the Buildings and Facilities account of the Federal Prison System (FPS) in 1989 to be used for the construction of correctional institutions, and the construction, renovation and repair of Immigration and Naturalization Service and U.S. Marshals Service detention facilities. This provides additional resources for the construction of Federal prison facilities enabling the FPS to accelerate their plans to reduce overcrowding from the current systemwide average of 65 percent to 30 percent by 1995.

Section 209 would allow fees authorized to be collected for expenses incident to civil or criminal discovery requests to be credited to the appropriate account to be used for salaries and other expenses incurred in providing these services. This will allow the provision of authorized services without impeding the substantive missions of these appropriations.

All other provisions are updated as necessary for year and section references.

1991 AUTHORIZATION BILL

The Department of Justice will submit a 1991 Authorization Bill to Congress in support of the President's Budget. The bill will provide for the necessary appropriation authorizations for the various separate appropriations within the Department of Justice. It will also continue those authorizations enacted in the 1980 Department of Justice Appropriations Authorization Act (Public Law 96-132).

In prior years, the Department's proposed authorization bills have included provisions for the permanent codification of various financial authorities that are available to the Department of Justice as well as certain additional financial authorizations that the Department has requested. This portion of the Department's legislative proposal has not been included in the 1991 Authorization Bill. The Department has submitted separate legislation to Congress seeking enactment of these permanent authorizations.

DEPARTMENT OF JUSTICE

1991 Estimates Compared with 1989 and 1990 Requirements
(In thousands of dollars)

Appropriation	1989 Actual Perm. Pos.	1989 Actual FTE	1989 Actual Obligations
General Administration	1,103	1,182	$85,287
Emergency Drug Funding	...	...	71,000
Office of Inspector General	296	109	9,376
U.S. Parole Commission	161	162	10,843
Legal Activities:			
General Legal Activities	3,229	2,840	246,954
Antitrust Division	549	508	44,863
Foreign Claims Settlement Commission	7	6	460
U.S. Attorneys	6,730	6,153	458,362
U.S. Marshals Service	2,947	2,989	204,819
Support of U.S. Prisoners	...	...	105,916
Fees and Expenses of Witnesses	...	...	53,270
Community Relations Service	118	120	27,794
Total, Legal Activities	13,580	12,616	1,142,438
Organized Crime Drug Enforcement	...	...	...
Federal Bureau of Investigation	22,421	22,205	1,458,555
Drug Enforcement Administration	5,896	5,712	526,211
Immigration and Naturalization Service	15,293	14,176	820,973
Immigration Emergency Fund	...	...	...
Federal Prison System:			
Salaries and Expenses	15,240	12,837	948,278
National Institute of Corrections	41	44	8,058
Buildings and Facilities	181	117	210,792
Total, Federal Prison System	15,462	12,998	1,167,128
Office of Justice Programs:			
Justice Assistance	334	324	315,808
Public Safety Officers Benefits	...	...	...
Total, Office of Justice Programs	334	324	315,808
SUB-TOTAL, DEPARTMENT OF JUSTICE	74,546	69,484	5,607,619
Pre-merger Filing Fees	...	...	...
Interstate Commerce Commission Transfer	...	...	...
Independent Counsel	...	...	8,236
Civil Liberties Public Education Fund	...	...	...
U.S. Trustee System Fund	...	798	55,710
Assets Forfeiture Fund	...	...	271,606
Immigration Legalization	...	816	99,044
Immigration User Fee	...	1,524	110,751
Immigration Examinations Fee	...	504	69,023
FPI Borrowing Authority	...	...	20,000
Crime Victims Fund	...	...	110,069
TOTAL, DEPARTMENT OF JUSTICE	74,546	73,126	6,352,058
Limitations:			
Federal Prison Industries, Inc.	126	68	6,933
Reimbursable and Allocation FTE Workyears	...	3,200	...

1990 Appropriation Anticipated			1991 Estimate			Increase or Decrease 1991 from 1990		
Perm. Pos.	FTE	Amount	Perm. Pos.	FTE	Amount	Perm Pos.	FTE	Amount
1,102	1,128	$96,450	1,098	1,158	$101,061	-4	30	$4,611
...	...	...	...	...	...	...	...	...
296	300	20,541	380	350	28,382	84	50	7,841
136	131	10,500	103	98	9,869	-33	-33	-631
3,570	3,298	294,889	3,538	3,368	338,546	-32	70	43,657
387	372	31,817	387	372	33,730	...	...	1,913
7	7	440	7	7	490	...	...	50
7,961	6,872	518,864	8,147	7,854	628,095	186	982	109,231
3,250	3,173	237,861	3,503	3,436	288,529	253	263	50,668
...	...	158,437	...	...	193,034	...	...	34,597
...	...	56,027	...	...	70,628	...	...	14,601
118	119	28,930	118	120	28,172	...	1	-758
15,293	13,841	1,327,265	15,700	15,157	1,581,224	407	1,316	253,959
...	...	214,921	...	...	330,000	...	...	115,079
21,136	20,437	1,499,444	21,643	20,214	1,640,237	507	-223	140,793
5,407	5,199	548,709	6,112	5,671	700,000	705	472	151,291
12,388	12,580	842,297	12,522	12,259	884,349	134	-321	42,052
...	...	35,000	...	...	...	...	...	-35,000
17,471	15,892	1,138,705	22,269	19,215	1,371,882	4,798	3,323	233,177
49	49	9,973	53	53	10,007	4	4	34
376	296	1,396,953	378	365	374,358	2	69	-1,022,595
17,896	16,237	2,545,631	22,700	19,633	1,756,247	4,804	3,396	-789,384
352	352	614,290	345	345	587,515	-7	-7	-26,775
...	...	24,818	...	...	26,075	...	...	1,257
352	352	639,108	345	345	613,590	-7	-7	-25,518
74,006	70,205	7,779,866	80,603	74,885	7,644,959	6,597	4,680	-134,907
...	191	19,749	...	228	20,000	...	37	251
...	...	...	18	18	1,394	18	18	1,394
...	...	5,916	...	...	4,000	...	...	-1,916
...	...	...	...	...	500,000	...	...	500,000
...	895	60,039	...	913	65,673	...	18	5,634
...	...	356,847	...	...	372,000	...	...	15,153
...	721	54,025	...	488	37,568	...	-233	-16,457
...	1,524	103,530	...	1,524	110,000	...	...	6,470
...	1,771	103,244	...	1,649	90,000	...	-122	-13,244
...	...	...	...	...	...	...	...	...
...	...	123,250	...	...	125,000	...	...	1,750
74,006	75,307	8,606,466	80,621	79,705	8,970,594	6,615	4,398	364,128
29	29	2,857	29	29	3,167	...	...	310
...	6,745	...	...	7,460	...	...	715	...

DEPARTMENT OF JUSTICE
Summary of Requirements
Analysis of overall 1991 increase
(Dollars in thousands)

	GENERAL ADMIN.		OFFICE OF INSPECTOR GENERAL		U.S. PAROLE COMMISSION		GENERAL LEGAL ACTIVITIES		ANTITRUST DIVISION	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
1990 obligations	1,103	$86,287	288	9,376	161	$10,943	3,230	$290,964	448	44,065
Department of Justice Appropriations Act, 1990		87,439		30,675		10,600		257,080		32,232
Dept. of Transportation Appropriations Act, 1990		10,281		...		...		41,476		...
1990 as enacted	1,102	97,720	296	30,675	138	10,600	3,570	298,476	387	32,232
1990 Sequestration	...	(1,280)	...	(132)	...	...	...	(9,587)	...	(408)
1990 appropriation anticipated	1,102	96,440	296	30,541	138	10,600	3,570	284,889	387	31,817
1991 estimate	1,098	101,051	380	38,382	105	9,969	3,538	328,546	387	33,730
Change 1991 from 1990	(4)	4,611	84	7,841	(33)	(631)	(32)	43,657	0	1,913
Adjustments to base										
Transfers to and from other accounts							(186)	(13,000)		
Adjustments in permanent positions								..		
Mandatory increases:										
Annualization of 1990 program increases		2,022						12,213		
Additional compensable day		237		61		35		567		122
1990 Full-year pay increase impact on 1991		2,383		484		186		4,425		1,141
1991 pay increase (3.5%)		840		298		54		2,306		438
Senior Executive Service salary increase		511		85				1,109		228
Special Salary Rates		66						59		22
Administratively uncontrollable overtime										
Health Benefits		395		83		26		614		147
Federal Employees Retirement System (FERS)				469						261
Fed. Employees' Comp. Act - Workers Compensation						2				
Fed. Employees' Comp. Act - Unemployment Comp.				5						
GSA Rent		480		68				696		
GSA recurring reimbursable services										
Federal Telecommunications System (FTS)										
Telephone Service										
GPO printing costs		25		3		3		71		17
Employee data and payroll services		10		3		2		31		5
Foreign Allowances								12		
Distributed Administrative Support		16						1		
General pricing level adjustment										186
Administrative salary increase										
Full-field investigations										
Security reinvestigations				49						
Back pay awards										
Other		172		80				130		
Annualization of 1990 leases								4,852		
Project EAGLE maintenance								836		
Annualization of 1990 OIG transfer										
Total, mandatory increases		7,317		1,617		300		30,256		2,017
Decreases		(631)		(18)		(216)	(42)	(1,436)		(104)
Total, adjustments to base	0	6,686	0	1,599	0	84	(228)	15,220	0	1,913
1991 base	1,102	103,126	296	32,140	138	10,684	3,342	300,109	387	33,730
Program changes										
Staff and related expenses	5	1,550	84	6,242	(33)	(715)	210	28,512	0	0
Construction									0	0
Grants and cooperative agreements									0	0
Other changes	(5)	(3,498)							0	0
A-76 reductions	(4)	(127)					(14)	(75)	0	0
Total, program changes	(4)	(2,075)	84	6,242	(33)	(715)	196	28,437	0	0
1991 estimate	1,098	101,051	380	38,382	105	9,969	3,538	328,546	387	33,730
Change 1991 from 1990	(4)	4,611	84	7,841	(33)	(631)	(32)	43,657	0	1,913

	FOREIGN CLAIMS SETTL. COMMISSION		U.S. ATTORNEYS		UNITED STATES MARSHALS SERVICE		SUPPORT OF U.S. PRISONERS	FEES AND EXPENSES OF WITNESSES	COMMUNITY RELATIONS SERVICE		TOTAL LEGAL ACTIVITIES	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Amount	Amount	Pos.	Amount	Pos.	Amount
1990 obligations	7	$480	6,730	$456,362	2,947	$204,819	109,914	$53,270	118	$27,794	13,680	$1,142,438
Department of Justice Appropriations Act, 1990		440		444,962		217,627	137,554	68,784		29,334	0	$1,174,753
Dept. of Transportation Appropriations Act, 1990		...		60,099		23,819	28,080	..		...	0	$169,984
1990 as enacted	7	440	7,961	525,561	3,250	240,846	165,034	68,784	118	29,334	16,288	1,343,897
1990 Sequestration	...	...	...	(6,697)	..	(2,985)	(1,597)	(757)	...	(404)	0	(16,439)
1990 appropriation anticipated	7	440	7,961	518,864	3,250	237,861	158,437	56,027	118	28,930	16,293	1,327,266
1991 estimate	7	480	8,147	628,095	3,503	288,529	193,034	70,828	118	28,172	16,700	1,581,224
Change 1991 from 1990	0	40	186	109,231	253	50,668	34,597	14,801	0	(758)	407	253,958
Adjustments to base												
Transfers to and from other accounts			186	13,000							0	0
Adjustments in permanent positions											0	0
Mandatory increases:												
Annualization of 1990 program increases			...	72,238		8,478					...	90,917
Additional compensable day		1		1,307		506				25		2,862
1990 Full-year pay increase impact on 1991		5		13,165		5,017				274		28,085
1991 pay increase (3.5%)		3		4,807		1,852				101		9,407
Senior Executive Service salary increase		24		3,053		65				21		4,961
Special Salary Rates				595		217				3		917
Administratively uncontrollable overtime												0
Health Benefits		2		1,653		567				29		3,512
Federal Employees Retirement System (FERS)				4,185		96						4,831
Fed. Employees' Comp. Act - Workers Compensation						430						430
Fed. Employees' Comp. Act - Unemployment Comp.				50								56
GSA Rent		6		1,082		1,309				5		3,646
GSA recurring reimbursable services												0
Federal Telecommunications System (FTS)												0
Telephone Service												0
GPO printing costs		1		177		20				2		256
Employee data and payroll services				94		22				1		163
Foreign Allowances												12
Distributed Administrative Support												1
General pricing level adjustment		1										186
Administrative salary increase												0
Full-field investigations												0
Security reinvestigations		1										1
Back pay awards												0
Other		3										138
Annualization of 1990 leases												4,852
Project EAGLE maintenance				400								1,236
Annualization of 1990 OIG transfer												0
Total, mandatory increases		50		103,694		16,857	0			485		163,921
Decreases				(1,667)		(3,846)	(14,890)			(116)	(42)	(27,794)
Total, adjustments to base	0	40	186	115,387	0	13,008	(14,890)	0	0	369	(42)	151,127
1991 base	7	480	8,147	634,251	3,250	250,869	143,547	56,027	118	29,299	16,251	1,453,392
Program changes												
Staff and related expenses					259	12,616					469	41,128
Construction						12,849					0	12,849
Grants and cooperative agreements							15,040				0	15,040
Other changes				(6,156)		12,231	34,447	14,801		(1,127)	0	53,099
A-76 reductions					(6)	(36)					(20)	(111)
Total, program changes	0	0	0	(6,156)	253	37,660	49,487	14,801	0	(1,127)	449	127,832
1991 estimate	7	480	8,147	628,095	3,503	288,529	193,034	70,828	118	28,172	16,700	1,581,224
Change 1991 from 1990	0	40	186	109,231	253	50,668	34,597	14,801	0	(758)	407	253,958

DEPARTMENT OF JUSTICE
Summary of Requirements
Analysis of overall 1991 increase
(Dollars in thousands)

	ORGANIZED CRIME DRUG ENFORCEMENT	FEDERAL BUREAU OF INVESTIGATION		DRUG ENFORCEMENT ADMINISTRATION		IMMIGRATION AND NATURALIZATION SERVICE		FEDERAL PRISON SYSTEM 3/		OFFICE OF JUSTICE PROGRAMS 2/		TOTAL 1/		TOTAL OTHER AUTHORITIES		TOTAL NEW AUTHORITY	
	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
1989 obligations		22,421	$1,468,866	6,898	$628,211	16,[illegible]	$[illegible]	15,482	$1,107,129	334	$315,438	74,146	$5,536,519		$744,439	74,846	$6,281,058
Department of Justice Appropriations Act, 1990	168,560		1,420,340		492,180		860,300		1,508,076		334,970	0	6,364,748		636,751	0	6,821,407
Dept. of Transportation Appropriations Act, 1990	46,261		97,046		16,301		18,881		1,054,923		308,821	0	1,787,587		0	0	1,787,587
1990 as enacted	214,821	21,546	1,520,386	6,407	556,481	12,388	880,181	17,698	2,563,[illegible]	352	643,797	74,416	7,852,343	0	636,751	74,416	8,[illegible]
1990 Sequestration		(409)	(20,941)		(7,772)		(2,884)		(16,367)		(4,689)	(409)	(72,477)		(10,151)	(409)	(82,628)
1990 appropriation anticipated	214,821	21,136	1,499,444	6,407	548,709	12,388	877,297	17,896	2,546,631	352	[illegible]	74,006	7,779,[illegible]	0	626,600	74,006	8,[illegible]
1991 estimate	330,000	21,643	1,640,237	6,112	700,000	12,522	884,349	22,700	1,758,247	345	613,580	80,603	7,644,960	18	1,325,635	80,621	8,970,594
Change 1991 from 1990	115,079	507	140,793	705	151,291	134	7,052	4,804	(788,384)	(7)	(26,518)	6,597	(134,917)	18	699,035	6,615	384,120
Adjustments to base																	
Transfers to and from other accounts												0	0	18	1,384	18	1,384
Adjustments in permanent positions								4				4	0		0	4	0
Mandatory increases															0		
Annualization of 1990 program increases	2,081		22,844		7,761		4,086		45,581			0	176,074		0	0	176,074
Additional compensable day	557		3,888		677		1,710		2,482		61	0	17,679		152	0	12,830
1990 Full-year pay increase impact on 1991	5,378		38,245		11,440		18,808		24,808		849	0	130,504		1,480	0	111,884
1991 pay increase (3.5%)			14,180		4,291		6,362		10,043		333	0	45,870		431	0	46,301
Senior Executive Service salary increase			727				287		260		32	0	6,358		200	0	6,558
Special Salary Rates			1,880		636		1,446		3,888		17	0	8,974		32	0	9,006
Administratively uncontrollable overtime			41,879		13,828		11,071					0	66,678		0	0	66,678
Health Benefits			6,747		1,758		4,780		4,001		11	0	21,348		208	0	21,552
Federal Employees Retirement System (FERS)							1,332		5,313			0	11,644		418	0	12,062
Fed. Employees' Comp. Act - Workers Compensation			1,413		367		645		820			0	4,080		0	0	4,080
Fed. Employees' Comp. Act - Unemployment Comp.	10											0	65		0	0	65
GSA Rent	565		4,740		1,767		2,162		20			0	13,775		382	0	14,157
GSA recurring reimbursable services					66							0	69		1	0	70
Federal Telecommunications System (FTS)												0	3		0	0	0
Telephone Service												0	0		0	0	0
GPO printing costs			120		33		148		22		46	0	667		0	0	667
Employee data and payroll services	5				56		152		131		4	0	535		6	0	541
Foreign Allowances					790		387					0	1,198		0	0	1,198
Distributed Administrative Support							141					0	160		0	0	160
General pricing level adjustment	1,643				6,713						1,257	0	9,969		394	0	10,363
Administrative salary increase												0	0		165	0	165
Full-field investigations												0	0		0	0	0
Security reinvestigations												0	50		10	0	60
Back pay awards												0	0		0	0	0
Other	82						(36,[illegible])		19			0	(34,511)		(6,498)	0	(41,009)
Annualization of 1990 leases												0	4,932		0	0	4,932
Project EAGLE maintenance												0	1,236		0	0	1,236
Annualization of 1989 OIG transfer												0	0		0	0	0
Total, mandatory increases	10,501		137,790		60,416		20,884	0	97,384		2,669	0	482,540		(2,881)	0	479,627
Decreases	(2,717)	(38)	(36,903)		(30,884)		(14,889)	(38)	(1,257,470)		(10,191)	(118)	(1,388,302)		(1,074)	(118)	(1,389,276)
Total, adjustments to base	7,784	(38)	100,866	0	29,532	0	6,086	(34)	(1,160,086)	0	(7,532)	(114)	(883,754)	18	(5,241)	(96)	(888,995)
1991 base	222,705	21,098	1,600,400	6,407	578,241	12,388	883,382	17,862	1,386,546	352	631,576	73,892	6,896,112	18	621,359	73,910	7,719,471
Program changes																	
Staff and related expenses	107,295	661	711	744	82,988	304	8,033	4,000	91,586			6,704	338,809	0	1,000	6,704	339,809
Construction					10,000		17,198	40	203,400			40	243,437		0	40	243,437
Grants and cooperative agreements									(239)	(7)	(17,986)	(7)	(3,225)		0	(7)	(3,225)
Other changes			38,886		28,880	(88)	(23,821)	883	78,428			818	172,280		501,308	818	673,588
A-76 reductions		(146)	(886)	(38)	(227)	(110)	(843)	(85)	(457)			(404)	(2,434)		(30)	(404)	(2,464)
Total, program changes	107,295	545	39,837	705	121,759	134	957	4,838	370,701	(7)	(17,986)	6,711	746,847	0	702,276	6,711	1,251,123
1991 estimate	330,000	21,643	1,640,237	6,112	700,000	12,522	884,349	22,700	1,758,247	345	613,590	80,603	7,644,960	18	1,325,635	80,621	8,970,594
Change 1991 from 1990	115,079	507	140,793	705	151,281	134	7,052	4,804	(788,384)	(7)	(25,518)	6,597	(134,917)	18	699,035	6,615	384,120

1/ Excludes 1989 obligations of $71,000,000 for Emergency Drug Funding

2/ Includes $35,000,000 for Immigration Emergency Funds for INS and $25,000,000 for PSOB in OJP

3/ Excludes a planned transfer of $109,000,000 from the Office of National Drug Control Policy Special Forfeiture Fund

4/ Represents the Antitrust Division's share of the pre-merger filing fees collected by the FTC

DEPARTMENT OF JUSTICE
Summary of Requirements
Analysis of 1991 other authorities
(Dollars in thousands)

	PRE-MRGR FILING FEES 4/	ICC TRANSFER		INDEPEND. COUNSEL	CIVIL LIBERT. FUND	U. S. TRUSTEE FUND	ASSETS FORFEIT. FUND	IMMIG LEGAL.	IMMIG USER FEES	IMMIG EXAM FEES	PRISONS BORROW AUTHOR	CRIME VICTIMS FUND	TOTAL OTHER AUTHORITIES	
	Amount	Pos.	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Pos.	Amount
1989 obligations	—	—	—	$8,208	—	$55,710	$271,806	$69,044	$110,751	$59,023	$20,000	$110,089	—	$744,439
Department of Justice Appropriations Act, 1990	20,000		—	6,000	—	60,729	361,230	54,782	105,000	104,000	—	125,000		836,741
Dept. of Transportation Appropriations Act, 1990	0		—	—	—	—	—	—	—	—	—	—		0
1990 as enacted	20,000	0	0	6,000	0	60,729	361,230	54,782	105,000	104,000	0	125,000	0	836,741
1990 Sequestration	(251)	—	—	(84)	—	(690)	(4,383)	(757)	(1,470)	(756)	—	(1,750)	—	(10,141)
1990 appropriation anticipated	19,749	0	0	5,916	0	60,039	356,847	54,025	103,530	103,244	0	123,250	0	826,600
1991 estimate	20,000	18	1,394	4,000	500,000	65,673	372,000	37,568	110,000	90,000	—	125,000	18	1,325,635
Change 1991 from 1990	251	18	1,394	(1,916)	500,000	5,634	15,153	(16,457)	6,470	(13,244)	0	1,750	18	499,035
Adjustments to base														
Transfers to and from other accounts	...	18	1,394	...	...	...	...	...	...	...	...	...	18	1,394
Adjustments in permanent positions	...	...	...	...	...	...	...	...	...	...	...	...	...	0
Mandatory increases:														0
Annualization of 1990 program increases	...	...	...	...	...	...	...	...	...	...	...	...	...	0
Additional compensable day	...	...	...	...	...	152	...	...	...	...	...	...	...	152
1990 Full-year pay increase impact on 1991	...	...	...	...	...	1,480	...	...	...	...	...	...	...	1,480
1991 pay increase (3.5%)	...	...	...	...	...	431	...	...	...	...	...	...	...	431
Senior Executive Service salary increase	...	...	...	...	...	200	...	...	...	...	...	...	...	200
Special Salary Rates	...	...	...	...	...	32	...	...	...	...	...	...	...	32
Administratively uncontrollable overtime	...	...	...	...	...	...	...	...	...	...	...	...	...	0
Health Benefits	...	...	...	...	...	206	...	...	...	...	...	...	...	206
Federal Employees Retirement System (FERS)	...	...	...	...	...	418	...	...	...	...	...	...	...	418
Fed. Employees' Comp. Act - Workers Compensation	...	...	...	...	...	...	...	...	...	...	...	...	...	0
Fed. Employees' Comp. Act - Unemployment Comp.	...	...	...	...	...	...	...	...	...	...	...	...	...	0
GSA Rent	...	...	...	...	...	362	...	...	...	...	...	...	...	362
GSA recurring reimbursable services	...	...	...	...	...	1	...	...	...	...	...	...	...	1
Federal Telecommunications System (FTS)	...	...	...	...	...	...	...	...	...	...	...	...	...	0
Telephone Service	...	...	...	...	...	...	...	...	...	...	...	...	...	0
GPO printing costs	...	...	...	...	...	...	...	...	...	...	...	...	...	0
Employee data and payroll services	...	...	...	...	...	8	...	...	...	...	...	...	...	8
Foreign Allowances	...	...	...	...	...	...	...	...	...	...	...	...	...	0
Distributed Administrative Support	...	...	...	...	...	...	...	...	...	...	...	...	...	0
General pricing level adjustment	...	...	...	...	...	394	...	...	...	...	...	...	...	394
Administrative salary increase	...	...	...	...	...	145	...	...	...	...	...	...	...	145
Full-field investigations	...	...	...	...	...	...	...	...	...	...	...	...	...	0
Security reinvestigations	...	...	...	...	...	10	...	...	...	...	...	...	...	10
Back pay awards	...	...	...	...	...	0	...	...	...	...	...	...	...	0
Other	...	...	...	...	...	885	14,098	(16,457)	6,470	(13,244)	...	1,750	...	(6,498)
Annualization of 1990 leases	...	...	...	...	...	...	...	...	...	...	...	...	...	0
Project EAGLE maintenance	...	...	...	...	...	...	...	...	...	...	...	...	...	0
Annualization of 1989 OIG transfer	...	...	...	...	...	...	...	...	...	...	...	...	...	0
Total, mandatory increases	0	18	1,394	0	0	4,722	14,098	(16,457)	6,470	(13,244)	0	1,750	—	(2,661)
Decreases:	0	...	...	(1,916)	—	(58)	—	—	...	...	0	—	...	(1,974)
Total, adjustments to base	0	18	1,394	(1,916)	0	4,664	14,098	(16,457)	6,470	(13,244)	0	1,750	18	(3,241)
1991 base	19,749	18	1,394	4,000	0	64,703	370,945	37,568	110,000	90,000	0	125,000	18	823,359
Program changes														
Staff and related expenses	...	...	...	...	...	1,000	...	...	...	...	...	...	0	1,000
Construction	...	...	...	...	...	...	...	...	...	...	...	...	...	0
Grants and cooperative agreements	...	...	...	...	...	...	...	...	...	...	...	...	...	0
Other changes	251	...	...	...	500,000	...	1,055	...	...	...	...	...	...	501,306
A-76 reductions	...	...	...	...	...	(30)	...	...	...	...	...	...	...	(30)
Total, program changes	251	0	0	0	500,000	970	1,055	0	0	0	0	0	0	502,276
1991 estimate	20,000	18	1,394	4,000	500,000	65,673	372,000	37,568	110,000	90,000	0	125,000	18	1,325,635
Change 1991 from 1990	251	18	1,394	(1,916)	500,000	5,634	15,153	(16,457)	6,470	(13,244)	0	1,750	18	499,035

1/ Excludes 1989 obligations of $71,000,000 for Emergency Drug Funding.
2/ Includes $35,000,000 for Immigration Emergency Funds for INS and $25,000,000 for PSOB in OJP.
3/ Excludes a planned transfer of $100,000,000 from the Office of National Drug Control Policy Special Forfeiture Fund.
4/ Represents the Antitrust Division's share of the pre-merger filing fees collected by the FTC.

DEPARTMENT OF JUSTICE
SALARIES AND EXPENSES, GENERAL ADMINISTRATION

Analysis of an Increase of $4,611 thousand

(Dollars in thousands)

	PROGRAM DIRECTION AND POLICY COORDINATION								FACILITIES 2000		ADMINISTRATIVE REVIEW & APPEALS		TOTAL	
	DEPARTMENT LEADERSHIP		EXECUTIVE SUPPORT		INTELL. POLICY & PROFESS. RESPONSIBILITY		JUSTICE MANAGEMENT DIVISION							
	Pos	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos	Amount
1989 obligations	56	5,366	71	6,038	22	1,907	477	41,769	...	...	477	30,207	1,103	85,287
Dept. of Justice Appropriations Act, 1990		5,383		6,594		1,989		40,091		...		33,382		87,439
Dept. of Transportation Appropriations Act, 1990		633		774		233		4,704		...		3,917		10,261
1990 as enacted	56	6,016	67	7,368	22	2,222	422	44,795	0	0	535	37,299	1,102	97,700
1990 Sequestration	..	(78)	...	(94)	...	(28)	...	(573)	...	...	...	(477)	0	(1,250)
1990 appropriation anticipated	56	5,938	67	7,274	22	2,194	422	44,222	0	0	535	36,822	1,102	96,450
1991 estimate	46	5,878	77	7,959	22	2,349	418	45,535	...	970	535	38,370	1,098	101,061
Change 1991 from 1990	(10)	(60)	10	685	0	155	(4)	1,313	0	970	0	1,548	(4)	4,611
Adjustments to base														
Transfers within General Administration	(10)	(459)	10	459	...	...	...	...	...	...	...	...	0	0
Mandatory increases														
Annualization of 87 positions approved in 1990	...	...	...	...	...	...	...	329	...	...	...	1,693	0	2,022
Additional compensable day	...	26	...	19	...	11	...	98	...	...	...	83	0	237
1990 full-year pay increase impact on 1991	...	243	...	209	...	112	...	945	...	...	...	874	0	2,383
1991 pay increase	...	176	...	71	...	51	...	308	...	...	...	276	0	882
Senior Executive Service salary increase	...	73	...	135	...	53	...	217	...	...	...	33	0	511
Special salary rates	...	...	...	..	...	...	..	38	...	...	...	31	0	69
Health benefits	...	44	...	59	...	4	...	179	...	...	...	110	0	396
GSA Rent	...	36	...	50	...	16	...	282	...	...	...	204	0	588
GPO printing costs	...	13	...	..	...	...	...	6	...	...	...	1	0	20
Employee data and payroll services	...	...	...	2	...	...	...	12	...	...	...	5	0	19
Distributed Administrative Support	...	16	...	2	...	...	...	...	...	...	...	..	0	18
National Security Emergency Preparedness	...	...	...	...	...	...	...	172	...	...	...	..	0	172
Total, mandatory increases	0	627	0	547	0	247	0	2,586	0	0	0	3,310	0	7,317
Decreases														
Federal Telecommunications System (FTS)	...	(20)	...	(35)	...	(12)	...	(130)	...	...	..	(62)	0	(259)
Nonrecurring costs for equipment and training	...	...	...	...	...	...	...	...	...	...	...	(372)	0	(372)
Total, adjustments to base	0	148	10	971	0	235	0	2,456	0	0	0	2,876	0	6,686
1991 base	56	6,086	77	8,245	22	2,429	422	46,678	0	0	535	39,698	1,102	103,136
Program changes														
Staff and related expenses	..	...	...	...	...	...	5	580	...	970	...	..	5	1,550
Savings due to management initiatives	..	(208)	..	(286)	...	(80)	(5)	(1,596)	...	...	...	(1,328)	(5)	(3,498)
A-76 reductions	...	..	...	..	...	...	(4)	(127)	...	...	...	...	(4)	(127)
Total, program changes	0	(208)	0	(286)	0	(80)	(4)	(1,143)	0	970	0	(1,328)	(4)	(2,075)
1991 estimate	56	5,878	77	7,959	22	2,349	418	45,535	0	970	535	38,370	1,098	101,061
Change 1991 from 1990	0	(60)	10	685	0	156	(4)	1,313	0	970	0	1,548	(4)	4,611

GENERAL ADMINISTRATION, SALARIES AND EXPENSES
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	1,103	$85,287
Department of Justice Appropriations Act, 1990		87,439
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding		10,261
1990 as enacted	1,102	97,700
1990 Sequestration	...	-1,250
1990 appropriation anticipated	1,102	96,450
Mandatory increases (see p. 16)	...	7,317
Decreases:		
Federal Telecommunications System savings	...	-259
Nonrecurring expenses for equipment and training	...	-372
1991 base	1,102	103,136
Program changes (detailed below)	-4	-2,075
1991 estimate	1,098	101,061

Comparison by activity and program	1991 Base		1991 Estimate		Inc./Dec.	
	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. Program direction and policy coordination:						
a. Department Leadership	46	$6,086	46	$5,878	...	-$208
b. Executive Support	77	8,245	77	7,959	...	-286
c. Intelligence Policy and Professional Review	22	2,429	22	2,349	...	-80
d. Justice Management Division	422	46,678	418	45,535	-4	-1,143
e. Facilities Program 2000	...	...	...	970	...	970
	567	63,438	563	62,691	-4	-747
2. Administrative Review and Appeals	535	39,698	535	38,370	...	-1,328
TOTAL	1,102	103,136	1,098	101,061	-4	-2,075

GENERAL ADMINISTRATION, SALARIES AND EXPENSES

Program Changes	Perm. Pos.	Amount
Department Leadership	...	-$208
A program decrease of $208,000 is requested in support of Administration efforts to reduce Federal spending.		
Executive Support	...	-286
A program decrease of $286,000 is requested in support of Administration efforts to reduce Federal spending.		
Intelligence Policy & Professional Responsibility	...	-80
A program decrease of $80,000 is requested in support of Administration efforts to reduce Federal spending.		
Justice Management Division	-4	-1,143
A program increase of five positions, three workyears and $580,000 is requested for the Justice Management Division. Three positions, two workyears, and $139,000 are requested to support the Office of General Counsel's Ethics and Program Fraud functions. Two positions, one workyear, and $291,000 are requested to address workload requirements associated with the review of the Department's Equal Employment Opportunity complaints. Additional funding of $150,000 is requested for contractual services to support the productivity improvement training and awareness program for Department managers.		
Offsetting decreases of nine positions and workyears and $1,723,000 are also requested. A reduction of five positions, five workyears, and $1,596,000 is requested in support of Administration efforts to reduce Federal spending. A further decrease of four positions, four workyears, and $127,000 represents savings resulting from greater use of private contractors for services.		
Facilities Program 2000	...	970
An increase of $970,000 in "no-year" funds is requested to provide resources to begin space requirements reprogramming, prospectus development, and design intent documentation for the Facilities Program 2000. Under this Program, the Department of Justice will consolidate		

GENERAL ADMINISTRATION, SALARIES AND EXPENSES

Program Changes	Perm. Pos.	Amount

Department Components located in the Washington metropolitan area over the next 10 years. The Department of Justice is currently housed in over 50 locations in the Washington area. The construction and occupancy of three new buildings provides an opportunity to dramatically reduce this fragmentation by consolidating and releasing 17 of these locations and thereby increase operational integrity for productivity. Department components from most of these locations will partially or fully consolidate in these new buildings. Savings directly accrued by the Department, though not quantified, will result from reduced lease costs due to more efficient design and improved utilization of space, improved working conditions, lower operational and administrative costs, and increased productivity due to allocation of elements. Also included in the project is critically needed renovations to the MAIN Justice and Home Owners Loan Corporation Buildings for improvement of environmental conditions, upgrading of electrical and cooling systems, and removal of asbestos hazards.

The total estimated cost (including base building construction and the MAIN and HOLC renovation construction costs) for all elements of this program is $330 million to $375 million. This is the total cost to the government. The estimate of the Department's share of these costs, over a ten year period, is $70 million. This amount is subject to negotiations with the GSA.

The funding requested for 1991 would be used to develop the Department's "Requirements Program" which identifies offices to be relocated, their personnel and equipment needs, and any special functional requirements. Additionally, the funding would provide the contract architectual and engineering support needed to begin the construction drawings. Preliminary engineering for the specialized security systems will also be accomplished. These engineering activities are crucial to the design/construction process.

The funding is requested as no-year monies because the Department is dependent upon the General Services Administration (GSA) to handle the procurement and award

GENERAL ADMINISTRATION, SALARIES AND EXPENSES

Program Changes	Perm. Pos.	Amount
of the contracts for services. While the Department is using GSA time frames for estimates on the project, the process and obligation of funds is not within the Department's control. Therefore, the funding is requested to remain available until expended to prevent it from expiring before it can be used for the designated tasks.		
Administrative Review and Appeals........................	...	-1,328
A program decrease of $1,328,000 is requested in support of Adminstration efforts to reduce Federal spending.		
Total program changes, General Administration............	-4	-2,075

OFFICE OF INSPECTOR GENERAL, SALARIES AND EXPENSES

(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations....................................	296	$9,376
Department of Justice Appropriations Act, 1990.........	296	20,673
1990 sequestration................................	...	-132
1990 appropriation anticipated........................	296	20,541
Mandatory increases (see p. 12)......................	...	1,617
Decrease for the Federal Telecommunications System...	...	-18
1991 base...	296	22,140
Program changes (detailed below)....................	84	6,242
1991 estimate.......................................	380	28,382

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
1. Office of Inspector General...	296	$22,140	380	$28,382	84	$6,242

Program changes	Perm. Pos.	Amount
Office of Inspector General..........................	84	$6,242

This program increase is requested to meet critical investigation and audit workload requirements in 1991 and to provide resources for senior policy and administrative support activities.

Specifically, an increase of 20 positions and $1,085,000 is requested for the Audit functions. With current resources, the Office of Inspector General (OIG) has been able to perform 26 major internal audits. With the requested increase, an additional eight to ten audits can be performed annually.

The investigative functions and associated resources were transferred to OIG from only three bureaus: the Immigration and Naturalization Service, U.S. Marshals Service, and Bureau of Prisons. However, OFFICE OF INSPECTOR GENERAL, SALARIES AND EXPENSES

	Perm. Pos.	Amount
the OIG's responsibility for investigations increased to cover 28 additional components of the Department. In addition, statutory IG authorities expanded the investigative responsibilities within some of the bureaus which transferred resources. To meet these additional investigative responsibilities, an increase of 50 positions (43 investigators and 7 clerical) and $3,416,000 is requested.		
Resources for senior management and administrative support activities were not provided to OIG in the Inspector General Act of 1978, as amended. The requested increase of 14 positions and $1,741,000 for executive direction and control activities is essential if the OIG is to maintain the statutorily mandated independence from the programs and operations of the rest of the Department.		
Total, Office of Inspector General	84	$6,242

U.S. PAROLE COMMISSION, SALARIES AND EXPENSES
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	161	$10,843
1990 as enacted	136	10,500
Mandatory increases (see p. 12)	...	300
Decreases:		
Federal Telecommunication Systems savings	...	-85
General Services Administration rent	...	-131
1991 base	136	10,584
Program changes (detailed below)	-33	-715
1991 estimate	103	9,869

Comparison by activity and program	1991 Base Perm. Pos.	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. U.S. Parole Commission	136	$10,584	103	$9,869	-33	-$715

Program changes	Perm. Pos.	Amount
U.S. Parole Commission	-33	-$715

The United States Sentencing Commission was established to develop and issue comprehensive guidelines for Federal cases. The guidelines went into effect on November 1, 1987, resulting in a decrease in the Parole Commission's workload. Under current legislation, the Parole Commission is to be phased-out by November 1, 1992. To accomplish this, the 1991 request reflects a net reduction of 33 positions and $715,000, which includes a program reduction of 33 positions and $1,200,000 to continue the Parole Commission's phase-out. The request also includes $485,000 to reimburse the Bureau of Prisons for nine examiner/analyst positions and continued use of contract typists to ensure necessary staffing to meet workload demands during the phase-out period.

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Analysis of an Increase of $43,657 thousand

(Dollars in thousands)

	SOLICITOR GENERAL		TAX DIVISION		CRIMINAL DIVISION		CIVIL DIVISION		LANDS & NATURAL RESOURCES DIV.	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
1989 obligations	49	4,117	621	37,527	769	52,316	881	83,718	349	26,118
Department of Justice Appropriations Act, 1990		4,707		27,056		40,772		94,131		35,135
Dept. of Transportation Appropriations Act, 1990		...		15,702		23,662		...		...
1990 as enacted	49	4,707	656	42,758	979	64,434	884	94,131	383	35,135
1990 Sequestration	...	(57)	...	(514)	...	(775)	...	(1,131)	...	(422)
1990 Appropriation anticipated	49	4,650	656	42,244	979	63,659	884	93,000	383	34,713
1991 estimate	49	4,889	652	50,487	792	61,820	980	102,621	430	43,724
Change 1991 from 1990	0	239	(4)	8,243	(187)	(1,839)	96	9,621	47	9,011
Adjustments to base										
Transfers to and from other accounts					(186)	(13,600)	...	...	...	...
Mandatory increases										
Annualization of Positions approved in 1990	...	...	...	610	...	8,108	...	1,262	...	880
Additional compensable day	...	11	...	135	...	155	...	195	...	77
1990 Full-year pay increase impact on 1991	...	68	...	1,067	...	1,718	...	1,564	...	941
1991 pay increase	...	32	...	394	...	476	...	653	...	368
Senior Executive Service pay increase	...	60	...	208	...	252	...	306	...	122
Special salary rates	...	...	...	46	...	11	...	23	...	...
Health Benefits	...	10	...	148	...	199	...	224	...	114
GSA Rent	...	9	...	103	...	189	...	157	...	41
GPO printing costs	...	38	...	...	...	15	...	3	...	7
Employee data and payroll services	...	...	...	6	...	6	...	8	...	5
Foreign Allowances	...	...	...	...	...	...	...	12	...	...
Distributed Administrative Support	...	...	...	...	...	...	...	1	...	...
INTERPOL dues	...	...	...	...	...	...	...	...	...	...
Correction of base funding for Special Counsel	...	...	...	...	...	...	...	...	...	...
Project EAGLE Maintenance	...	...	...	255	...	580	...	...	...	...
Annualization of 1990 leases	...	...	...	...	...	...	...	...	...	...
Total, mandatory increases	...	248	...	2,972	...	11,709	...	4,408	...	2,556
Decreases										
Non-recurring costs assoc. with prog. incs	...	...	...	(262)	...	(187)	...	...	...	(45)
Federal Telecommunications System savings	...	(9)	...	(151)	...	(17)	...	(154)	...	(108)
Total, adjustments to base	0	239	0	2,559	(186)	(2,075)	0	4,254	0	2,403
1991 base	49	4,889	656	44,803	793	61,584	884	97,254	383	37,116
Program changes										
Staff and related expenses	...	...		5,706	4	262	96	5,367	47	6,608
A-76 Reductions	...	...	(4)	(22)	(5)	(26)	...	...	...	...
Total, program changes	0	0	(4)	5,684	(1)	236	96	5,367	47	6,608
1991 estimate	49	4,889	652	50,487	792	61,820	980	102,621	430	43,724
Change 1990 from 1989	0	239	(4)	8,243	(187)	(1,839)	96	9,621	47	9,011

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES
Analysis of an Increase of $43,657 thousand
(Dollars in thousands)

	OFFICE OF LEGAL COUNSEL		CIVIL RIGHTS DIVISION		INTERPOL USNCB		LEGAL ACTIV OFFICE AUTO		SPECIAL COUNSEL		TOTAL	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
1989 obligations	35	2,762	425	27,652	70	4,313	0	6,408	30	2,023	3,229	246,954
Department of Justice Appropriations Act, 1990		2,852		32,908		3,639		12,160		3,640	0	257,000
Dept. of Transportation Appropriations Act, 1990		...		...		2,112		0		...	0	41,476
1990 as enacted	39	2,852	465	32,908	79	5,751	0	12,160	36	3,640	3,570	298,476
1990 Sequestration	...	(34)	...	(395)	...	(69)	0	(146)	...	(44)	0	(3,587)
1990 Appropriation anticipated	39	2,818	465	32,513	79	5,682	0	12,014	36	3,596	3,570	294,889
1991 estimate	39	3,013	481	39,324	79	5,639	0	23,171	36	3,858	3,538	338,546
Change 1991 from 1990	0	195	16	6,814	0	(43)	0	11,157	0	262	(32)	43,657
Adjustments to base												
Transfers to and from other accounts	...	...	...	...	...	...	...	...	...	...	(188)	(13,600)
Mandatory increases:												
Annualization of Positions approved in 1990	...	23	...	1,196	...	85	...	...	...	49	0	12,213
Additional compensable day	...	9	...	93	...	16	...			6	0	697
1990 Full-year pay increase impact on 1991	...	78	...	802	...	94	...			77	0	6,429
1991 pay increase	...	28	...	296	...	38	...	...	...	20	0	2,305
Senior Executive Service pay increase	...	38	...	108	...	8	...	...	...	...	0	1,100
Special salary rates	...	...	...	...	...	...	...	...	...	...	0	80
Health Benefits	...	10	...	92	...	5	...	...	...	12	0	814
GSA Rent	...	9	...	77	...	12	...	...	...	8	0	605
GPO printing costs	...	3	...	3	...	2	...	...	...	...	0	71
Employee data and payroll services	...	...	...	4	...	1	...	...	...	...	0	31
Foreign Allowances	...	...	...	...	...	...	...	...	...	...	0	12
Distributed Administrative Support	...	...	...	...	...	...	...	...	...	...	0	1
INTERPOL dues	...	...	...	...	...	43	...	...	...	...	0	43
Correction of base funding for Special Counsel	...	...	...	...	...	...	...	...	...	90	0	90
Project EAGLE Maintenance	...	...	...	...	...	...	...	...	...	...	0	835
Annualization of 1990 leases	...	...	...	...	...	...	...	4,932	...	...	0	4,932
Total, mandatory increases	...	198	...	2,669	...	304	...	4,932	...	262	0	30,258
Decreases:												
Non-recurring costs assoc. with prog. incs.	...	...	(42)	...	...	(347)	...	...	...	...	(42)	(821)
Federal Telecommunications System savings	...	(3)	...	(175)	...	...	...	...	...	...	0	(617)
Total, adjustments to base	0	195	(42)	2,494	0	(43)	0	4,932	0	262	(228)	15,220
1991 base	39	3,013	423	35,007	79	5,639	0	16,946	36	3,858	3,342	310,109
Program changes												
Staff and related expenses	...	...	63	4,344	...	...	...	6,225	...	...	210	28,512
A-76 Reductions	...	...	(5)	(27)	...	...	...	...	...	...	(14)	(75)
Total, program changes	0	0	58	4,317	0	0	0	6,225	0	0	196	28,437
1991 estimate	39	3,013	481	39,324	79	5,639	0	23,171	36	3,858	3,538	338,546
Change 1990 from 1989	0	195	16	6,811	0	(43)	0	11,157	0	262	(32)	43,657

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	3,229	$246,954
Department of Justice Appropriations Act, 1990		257,000
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding		41,476
1990 as enacted	3,570	298,476
1990 Sequestration	...	-3,587
1990 appropriation anticipated	3,570	294,889
Transfer to U.S. Attorneys of Organized Crime and Racketeering Strike Forces	-186	-13,600
Mandatory increases (see p. 24)	...	30,258
Decreases:		
Nonrecurring costs associated with 1990 program increases	...	-671
Conversion to Contract Staffing of Office of Redress Administration	-42	...
Federal Telecommunications System savings	...	-767
1991 base	3,342	310,109
Program changes (detailed below)	196	28,437
1991 estimate	3,538	338,546

Comparison by activity and program	1991 Base Perm Pos.	1991 Base Amount	1991 Estimate Perm Pos.	1991 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
1. Conduct of Supreme Court proceedings and review of appellate matters	49	$4,889	49	$4,889	...	...
2. General tax matters [1]:						
Federal appellate activity	98	6,522	98	6,522	...	...
Criminal tax prosecution	120	8,143	120	8,422	...	$279
Civil tax litigation activity	339	24,198	339	29,300	...	5,102
Management and administration	99	5,940	95	6,243	-4	303
Subtotal	656	44,803	652	50,487	-4	5,684

[1] Resources totaling $1,141,000 to fund 14 positions and 12 workyears in 1990, and $1,188,000 to fund 14 positions and 12 workyears in 1991 will be provided on a reimbursable basis to the Tax Division from the Organized Crime Drug Enforcement appropriation for work supporting the OCDE Task Forces.

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
3. Criminal matters [2]:						
Federal appellate activity...	29	$2,307	29	$2,307	...	...
Organized crime prosecution..	96	7,850	96	7,850	...	...
Public integrity............	34	2,738	38	3,000	4	$262
Fraud.......................	117	8,951	117	8,951	...	...
Narcotic and dangerous drug prosecution................	74	5,748	73	5,743	-1	-5
Internal security...........	44	3,520	43	3,515	-1	-5
General litigation and legal advice.....................	78	6,143	78	6,143	...	...
Office of special investigations......................	45	3,893	43	3,882	-2	-11
Prosecution support..........	169	12,234	169	12,234	...	...
National Obscenity Enforcement Unit.......................	20	1,712	20	1,712	...	...
Management and administration	87	6,488	86	6,483	-1	-5
Subtotal..................	793	61,584	792	61,820	-1	236
4. Claims, customs, and general civil matters:						
Federal appellate activity...	67	$6,561	74	$6,797	7	236
Torts litigation.............	210	31,884	216	32,291	6	407
Commercial litigation........	277	30,660	330	33,800	53	3,140
Federal programs.............	151	12,940	181	14,524	30	1,584
Consumer litigation..........	35	3,227	35	3,227	...	...
Immigration litigation.......	40	4,670	40	4,670	...	...
Management and administration	104	7,312	104	7,312	...	...
Subtotal..................	884	97,254	980	102,621	96	5,367
5. Land, natural resources and Indian matters:						
Federal appellate activity...	25	2,219	25	2,219	...	...
Land acquisition.............	32	3,025	32	3,025	...	...
Environmental protection.....	178	17,745	224	24,313	46	6,568
General litigation...........	110	10,517	110	10,517	...	...
Management and administration	38	3,610	39	3,650	1	40
Subtotal..................	383	37,116	430	43,724	47	6,608

[2] Resources totaling $662,000 to fund 6 positions and 6 workyears in 1990, and $698,000 to fund 6 positions and 6 workyears in 1991 will be provided on a reimbursable basis to the Criminal Division from the Organized Crime Drug Enforcement appropriation for work supporting the OCDE Task Forces.

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Comparison by activity and program	1991 Base Perm. Pos.	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
6. Legal opinions................	39	$3,013	39	$3,013	...	...
7. Civil rights matters:						
Federal appellate activity...	32	$2,363	32	$2,363	...	...
Civil rights prosecution.....	45	3,308	45	3,308	...	...
Special litigation...........	35	2,940	35	2,940	...	...
Voting.......................	68	4,287	84	6,031	16	$1,744
Employment litigation........	63	4,526	63	4,526	...	...
Coordination and review......	39	2,904	38	2,904	-1	...
Housing and civil enforcement	33	2,450	80	4,950	47	2,500
Educational opportunities....	31	2,298	30	2,298	-1	...
Management and administration	77	9,931	74	10,004	-3	73
Subtotal..................	423	35,007	481	39,324	58	4,317
8. INTERPOL-USNCB................	79	5,639	79	5,639	...	...
9. Legal activities office automation..................	...	16,946	...	23,171	...	6,225
10. Special counsel for discrimination.........................	36	3,858	36	3,858	...	...
TOTAL............................	3,342	310,109	3,538	338,546	196	28,437

Program Changes	Perm. Pos.	Amount
General tax matters......................................	-4	$5,684

The Tax Division requests 1991 program increases totaling $5,706,000. Of this amount, $3,900,000 is requested to implement an automated litigation support program to index and organize the Division's larger cases. The Division also requests $1,402,000 to fund its authorized workyear level. This increase would allow the Division to fund 21 attorney and 8 clerical workyears to handle increasing civil tax workload stemming from recent legislative changes to the internal revenue code. An increase of $79,000 is requested to provide additional travel funding for attorneys participating in the Financial Institutions Fraud Task Forces; and $325,000 is requested to permit the Division to initiate a more aggressive recruitment program as well as to provide additional training and awards in an effort to reduce the Division's high attrition rate. A reduction of 4 positions, 4 workyears and $22,000 will

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Program Changes	Perm. Pos.	Amount

accrue as the Division contracts out services currently performed by Federal employees. The net change from the 1991 base level is -4 positions, -4 workyears and $5,684,000.

Criminal matters...	-1	$236

The Criminal Division is seeking program increases of 4 positions (3 attorneys), 2 workyears and $262,000. The Public Integrity Section requires these positions to fulfill its responsibilities with regard to conflict of interest issues, as expanded under the Ethics Reform Act of 1989; Independent Counsel matters; and election crimes, where the ability of staff to respond to workload demand has been diminished due to inadequate resources. Program reductions amounting to 5 positions, 5 workyears and $26,000 will accrue to the Division as contractual services are implemented to replace functions currently carried out by Federal employees. The net change from the 1991 base level for the Criminal Division is -1 position, -3 workyears and $236,000.

Claims, customs, and general civil matters......................	96	5,367

The Civil Division requests program increases amounting to 60 positions (including 36 attorneys), 29 workyears and $2,119,000 for bank and financial institution fraud cases pursuant to the requirements of the Financial Institutions Reform, Recovery and Enforcement Act of 1989. The following litigative areas are involved: Federal Appellate (7 positions including 4 attorneys, 3 workyears and $236,000), Tort Litigation (6 positions including 3 attorneys, 3 workyears and $207,000), Commercial Litigation (30 positions including 19 attorneys, 15 workyears and $1,081,000), and Federal Programs (17 positions including 10 attorneys, 8 workyears and $595,000). In addition, $1,300,000 is required for Automated Litigation Support for financial institution fraud cases. The Division also requested program increases of 11 positions (7 attorneys), 6 workyears and $924,000 for litigation involving medicare overpayments (of which $477,000 is for ALS services); 12 positions (7 attorneys), 6 workyears and $485,000 for cases associated with the Veterans' Appeals Act; and 13 positions (9 attorneys), 6 workyears and $539,000 for cases involving other highly visible policy areas such as challenges to HUD policies and housing statutes, the census, drug testing and old age care.

Land, natural resources, and Indian matters.....................	47	6,6

Program increases of 47 positions (23 attorneys), 24 workyears and $6,608,000 are requested to permit the Division to increase its environmental law enforcement activities. For the

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Program Changes	Perm. Pos.	Amount

Environmental Protection program, enhancements of 46 positions, 23 workyears and $6,568,000 are needed to address the expected increase in environmental enforcement activities such as civil litigation supporting cases involving natural resource damage and hazardous material dumping. Included in this amount is $4,300,000 for automated litigation support, of which $3,900,000 will be used specifically in the Exxon-Valdez case. Also, one position, one workyear and $40,000 is requested to allow the Division to increase administrative support for its automated litigation support applications.

Civil rights matters..	58	$4,317

The Civil Rights Division is seeking program enhancements totaling 63 positions (31 attorneys), 32 workyears and $4,344,000. Of this amount, 47 positions (26 attorneys), 24 workyears and $2,500,000 are requested for the Housing and Civil Enforcement Section to address a significant workload increase resulting from the Fair Housing Amendments Act of 1988. An additional 16 positions (5 attorneys), 8 workyears and $1,744,000 are requested to adequately handle the workload of the Voting Section that will sharply increase as the 1990 census heightens demand for Departmental review of redistricting plans. Also, $100,000 is requested for a map plotter, data files and related storage equipment to support the Voting Section's post-census responsibilities. Reductions amounting to 5 positions, 5 workyears and $27,000 will accrue as contractual services are implemented to replace functions currently carried out by Federal employees. The net change from the 1990 base level for the Civil Rights Division is 58 positions, 26 workyears and $4,317,000.

Legal activities office automation..........................	...	6,225

A program increase of $6,225,000 is needed to fund office automation enhancements in the Tax, Criminal and Justice Management Divisions and the offices of the U.S. Attorneys. These organizations are participating in a joint office automation acquisition, EAGLE (Enhanced Automation for the Government Legal Environment). Installation of EAGLE in the litigating divisions and all the U.S. Attorney offices will provide critical technology links between Washington-based Divisions and all U.S. Attorney staff in the districts. During 1991, the U.S. Attorneys will complete the installation phase for EAGLE systems in all districts. Also in 1991, the Criminal and Tax Divisions will finish the installations phase for their offices.

Total program changes, General Legal Activities...........	196	28,437

SALARIES AND EXPENSES, ANTITRUST DIVISION
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	549	$44,862
Department of Justice Appropriations Act, 1990	387	32,222
1990 Sequestration	...	-405
1990 appropriation anticipated	387	31,817
Mandatory increases (see p. 12)	...	2,517
Decreases:		
Federal Employees Compensation Act (FECA)	...	-9
Federal Telecommunications System savings	...	-145
GSA Rent		-450
1991 base.	387	33,730
Program changes (detailed below)	...	...
1991 estimate	387	33,730

Comparison by activity and program	1991 Base Perm. Pos.	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
Enforcement of Antitrust and kindred laws:						
1. Federal Appellate Activity	16	$1,318	16	$1,318	...	...
2. Termination and prevention of private cartel behavior	210	17,994	210	17,994	...	...
3. Preservation of competitive market structure	...	2,239	...	2,239	...	...
4. Policy analysis, legislation and training	60	5,053	60	5,053	...	...
5. Competition Advocacy	34	2,671	34	2,671	...	...
6. Management and Administration	67	4,455	67	4,455	...	...
TOTAL	387	33,730	387	33,730	...	...

	Perm. Pos.	Amount
Proposed transfer from Interstate Commerce Commission	18	$1,394

SALARIES AND EXPENSES, ANTITRUST DIVISION

Proposed Transfer

The Administration is proposing legislation to terminate the Interstate Commerce Commission and complete deregulation of the motor carrier, freight forwarder, and water carrier industries. Remaining rail-related activities would be transferred to the Departments of Justice and Transportation. The Justice Department will assume responsibility for reviewing applications for rail-related mergers, consolidations, and acquisitions. Funds in the amount of $1,394,000, 18 workyears and 18 authorized positions are proposed for transfer to the Division in the event this legislation passes.

Pre-Merger Filing Fees

P.L. 101-162, Title VI, Section 605 reads as follows:

"Five working days after enactment of this Act and thereafter, the Federal Trade Commission shall assess and collect filing fees established at $20,000 which shall be paid by persons acquiring voting securities or assets who required to file premerger notifications by the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18a) and the regulations promulgated thereunder. For purposes of said Act, no notification shall be considered filed until payment of the fee required by this Section. Fees collected pursuant to this Section shall be divided evenly between and credited to the appropriations, Federal Trade Commission, 'Salaries and Expenses', and Department of Justice, 'Salaries and Expenses, Antitrust Division': Provided, that fees in excess of $40,000,000 in fiscal year 1990 shall be deposited to the credit of the Treasury of the United States."

With the passage of this provision, the Division anticipates earning $19,749,000 ($20,000,000 less a sequestration of $251,000) in 1990, which will fund 236 positions and 191 workyears. In 1991, earnings of $20,000,000 are anticipated, funding 236 positions and 228 workyears. This brings total resources for the Division to 623 positions, 563 workyears and $51,566,000 in 1990, and 623 positions, 600 workyears and $53,730,000 in 1991. This is an increase of almost 20 percent over funds available in 1989.

FOREIGN CLAIMS SETTLEMENT COMMISSION
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	7	$460
Department of Justice Appropriations Act, 1990	7	440
Mandatory increases (see p. 12)	...	50
1991 base	7	490
Program changes (detailed below)	...	...
1991 estimate	7	490

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
Adjudication of international claims	7	$490	7	$490	...	...

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	6,730	$456,362
Department of Justice Appropriations Act, 1990		444,862
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding		80,699
1990 as enacted	7,961	525,561
1990 Sequestration	...	-6,697
1990 appropriation anticipated	7,961	518,864
Transfer from General Legal Activities (Criminal Division) of Organized Crime and Racketeering Strike Forces	186	13,600
Mandatory increases (see p. 12)	...	103,694
Decreases:		
Federal Employees Compensation Act	...	-66
Federal Telecommunications System	...	-1,841
1991 base	8,147	634,251
Program changes (detailed below)	...	-6,156
1991 estimate	8,147	628,095 1

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. United States Attorneys						
Criminal litigation[1]	5,973	$459,439	5,973	$453,283	...	-$6,156
Civil litigation	1,982	142,905	1,982	142,905	...	...
Legal education	24	7,236	24	7,236	...	...
Management and administration	168	19,671	168	19,671	...	...
Subtotal	8,147	629,251	8,147	623,095	...	-6,156

---

[1] In addition, reimbursable resources to support $45,205,000, 659 positions and 626 workyears in 1990 and $66,182,000, 956 positions and 790 workyears in 1991 are provided from the Organized Crime Drug Enforcement appropriation.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
2. Debt collection..............	...	5,000	...	5,000	...	...
TOTAL........................	8,147	634,251	8,147	628,095	...	-$6,156

Program Changes	Perm. Pos.	Amount
Criminal Litigation...	...	-$6,156

A program decrease of $6,156,000 is required for the United States Attorneys to remain within the targeted budget levels established by the Administration. The reduction will be achieved by addressing space, furniture and equipment needs for new Violent Crime initiative employees in 1990, and concentrating 1991 resources on salaries and operating costs.

With this decrease, the U.S. Attorneys request level for 1991 is $628,095,000. This level of resources will fund 3,860 attorneys (122 for the Organized Crime Strike Forces), 725 paralegals, and 3,562 support positions. Major program resources will be devoted to organized and violent crime prosecutions, controlled substance violations, and debt collection activities.

This budget proposes that the U.S. Attorneys will begin to reimburse the Federal Bureau of Investigation (FBI) for attorney background investigations. The U.S. Attorneys currently reimburse the FBI for support personnel background investigations.

Total program changes, U.S. Attorneys.........................	...	-6,156

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	2,947	$204,819
Department of Justice Appropriations Act, 1990		217,027
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding		23,819
1990 as enacted.	3,250	240,846
1990 Sequestration	...	-2,985
1990 appropriation anticipated	3,250	237,861
Mandatory increases (see p.12)	...	16,937
Decreases:		
New positions approved in 1990	...	-1,916
Warrant Information Network.	...	-700
Federal Employees Compensation Act	...	-26
Federal Telecommunications System savings.	...	-1,257
1991 base.	3,250	250,899
Program changes (detailed below)	253	37,630
1991 estimate.	3,503	288,529

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program[1]	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. Protection of the Judicial Process....................	1,112	$86,495	1,211	$102,315	99	$15,820
2. Prisoner Transportation and Detention....................	560	41,686	609	54,950	49	13,264
3. Fugitive Apprehension..........	671	50,494	584	45,094	-87	-5,400
4. Seized Assets Management.......	240	14,981	374	21,220	134	6,239
5. D.C. Superior Court...........	124	5,851	159	7,391	35	1,540

---

[1] In addition, reimbursable resources to support $1,014,000, 13 positions and 13 workyears in 1990 and $1,056,000, 13 positions and 13 workyears in 1991 are to be provided from the Organized Crime Drug Enforcement appropriation.

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

Comparison by activity and program	1991 Base		1991 Estimate		Inc./Dec.	
	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
6. Service of Process............	182	$12,684	182	$12,684	...	...
7. Field Support and Training.....	168	10,671	168	10,671	...	...
8. ADP and Telecommunications.....	32	14,437	32	19,549	...	$5,112
9. Management and Administration..	161	13,600	184	14,655	23	1,055
TOTAL.........................	3,250	250,899	3,503	288,529	253	37,630

Program Changes	Perm. Pos.	Amount
Protection of the Judicial Process	99	$15,820

The requested program increase of 99 positions, 51 workyears and $15,820,000 includes 8 positions, 5 workyears and $268,000 for Witness Security; 61 positions, 31 workyears and $3,659,000 for Judicial Security; and 30 positions, 15 workyears and $11,893,000 for Prisoner Security. The increases for Witness Security will provide one Employment Specialist position, one workyear and $45,000 to assist protected witnesses in becoming self-sufficient as soon as possible; 6 positions, 3 workyears and $178,000 to provide additional administrative support in witness security regional offices and the Safesite and Orientation Center; and 1 position, 1 workyear and $45,000 to meet an increased workload associated with the construction of new identities for a growing number of protected witnesses. The increases for Judicial Security will provide 38 Deputy U.S. Marshal positions, 19 workyears and $2,425,000 to improve court security and staff a growing number of protective service details; 12 Deputy U.S. Marshal positions, 6 workyears and $766,000 to meet the increased need for out-of-district staffing at high-threat trials through the Special Assignments process; 10 positions, 5 workyears and $423,000 for additional personnel security; and 1 position, 1 workyear and $45,000 to meet an increased threat analysis workload. The increases for Prisoner Security will provide 30 Deputy U.S. Marshal positions, 15 workyears and $1,914,000 for additional prisoner security as criminal trial bench hours increase; $3,972,000 for renovation and construction of 100 courtroom holding cells; $1,007,000 for U.S. Marshals Service (USMS) cellblock security systems maintenance and procurement; and $5,000,000 for the construction of a secure prisoner elevator at the Foley Square, New York, Federal Courthouse.

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

Program Changes	Perm. Pos.	Amount
Prisoner Transportation and Detention.	49	$13,264
This net increase of 49 positions, 24 workyears and $13,264,000 includes program increases of 55 positions, 30 workyears and $13,300,000 and program decreases of 6 positions, 6 workyears and $36,000 due to A-76 management and productivity improvements. The requested program increases will provide 42 Deputy U.S. Marshal positions, 24 workyears and $2,691,000 to transport a growing number of prisoners at a time when the jail space crisis requires Deputies to travel longer distances to reach available detention space; 6 positions, 3 workyears and $203,000 to support the National Prisoner Transportation System; 7 Deputy U.S. Marshal positions, 3 workyears and $447,000 to perform required inspections of State and local jails that house Federal prisoners; $6,082,000 to purchase approximately 400 replacement sedans, 3 prisoner buses, and 30 prisoner vans; and $3,877,000 to renovate and construct an additional 14 holding cells in USMS district offices, of which an estimated 20 percent are in urgent need of renovation and 80 percent fail to meet Federal standards.		
Fugitive Apprehension.	-87	-5,400
The requested program decrease of 87 Deputy U.S. Marshal positions, 92 workyears and $5,400,000 is based on an anticipated decline in the backlog of primary felony warrants from 15,946 warrants on hand at the end of 1989 to 14,576 warrants on hand at the end of 1991 and productivity gains made possible by the enhanced Warrant Information System.		
Seized Assets Management	134	6,239
The requested increase of 134 positions (45 Deputies, 43 procurement clerks, 44 business managers and 2 program analysts), 67 workyears and $6,239,000 includes 132 positions, 66 workyears and $6,192,000 to augment existing seized asset management units and establish 44 additional seized asset management units in high-seizure-activity districts, increasing the total number of units from 12 to 56. The request also includes 2 positions, 1 workyear and $47,000 to increase staffing at the National Asset Seizure and Forfeiture program offices to identify seized asset management contract requirements on a district, regional and national basis. The 134-requested positions are vital to the proper management and prompt disposition of seized assets, which are expected to increase by 92 percent from 25,363 properties seized in 1989 to 48,672 properties seized in 1991.		

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

Program Changes	Perm. Pos.	Amount
D.C. Superior Court.	35	$1,540
The increase of 35 positions (12 Deputies and 23 detention officers), 17 workyears and $1,540,000 will provide additional personnel to operate the cellblock and transport prisoners within the Superior Court buildings, correcting security deficiencies that exist currently due to inadequate staffing, as well as addressing the 14 percent increase in prisoner productions anticipated in 1991. One such security deficiency is that as many as 10 prisoners are routinely moved within the courthouse by one detention officer or Deputy.		
ADP and Telecommunications	...	5,112
The requested increase of $5,112,000 includes $1,500,000 for the District Automation Project for Altos computer hardware upgrade and expansion ($850,000), dial back modems for increased computer security ($200,000), and office automation enhancements ($450,000); $700,000 for headquarters automation to replace obsolete computer hardware ($300,000), install a Local Area Network ($200,000), and provide software support for new applications ($200,000); $515,000 to rewrite the Prisoner Population Management System software to interface with USMS's Prisoner Automated Scheduling System and BOP's Sentry, and to establish a centralized database; $577,000 for enhancements to USMS's accounting system; and $1,820,000 to purchase Digital Voice Privacy (DVP) base stations and repeaters to expand the area covered by USMS's DVP radio system.		
Management and Administration.	23	1,055
The increase of 23 positions, 13 workyears and $1,055,000 includes 6 positions, 3 workyears and $286,000 for additional support to the Budget and Finance Staffs; 7 positions, 4 workyears and $284,000 to meet an increased procurement workload and reduce the backlog of seized asset management contracts that currently results in a delay of approximately six months in the award of major contracts for the maintenance of seized assets; 3 positions, 2 workyears and $142,000 to develop the Offender Based Tracking System and enhance the management information available to USMS and the Department of Justice; 1 attorney, 1 workyear and $57,000 to meet an increased workload in contract review and litigation; and 6 positions, 3 workyears and $286,000 to improve personnel and employee development services.		
Total program changes, U.S. Marshals Service	253	37,630

SUPPORT OF U.S. PRISONERS
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	...	$105,916
Department of Justice Appropriations Act, 1990	...	137,034
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding	...	23,000
1990 as enacted	...	160,034
1990 Sequestration	...	-1,597
1990 appropriation anticipated	...	158,437
Decrease for nonrecurring costs of Cooperative Agreement Program projects funded in 1990	...	-14,850
1991 base	...	143,587
Program changes (detailed below)	...	49,447
1991 estimate	...	193,034

Comparison by activity and program	1991 Base Perm Pos.	1991 Base Amount	1991 Estimate Perm Pos.	1991 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
1. Care of U.S. Prisoners	...	$143,587	...	$178,034	...	$34,447
2. Cooperative Agreement Program	...	...	...	15,000	...	15,000
TOTAL	...	143,587	...	193,034	...	49,447

Program Changes	Perm. Pos.	Amount
Care of U.S. Prisoners	...	$34,447

This requested program increase will fund an increased number of contract jail days, compensate for a higher jail day rate, and meet increased medical care and guard service costs. Approximately 3,764,696 contract jail days are projected for 1991, an increase of 20 percent over the 3,140,000 days projected for 1990. In addition, the average per diem rate is projected to rise to $42.27, a two-percent increase over the 1990 rate of $41.48.

SUPPORT OF U.S. PRISONERS

Program Changes	Perm. Pos.	Amount
Cooperative Agreement Program (CAP).	...	$15,000
The requested program increase will obtain an estimated 375 guaranteed bedspaces for Federal unsentenced prisoners in State and local jails near the Federal court cities in which the Marshals Service is experiencing the most critical bedspace shortages. The Service has tentatively targeted the following States as potential sites for 1991 CAP projects: Florida, Georgia, Indiana, Iowa, Kansas, Mississippi, Virginia, South Carolina, Tennessee and West Virginia.		
Total program changes, Support of U.S. Prisoners	...	49,447

FEES AND EXPENSES OF WITNESSES
(In thousands of Dollars)

	Perm. Pos.	Amount
1989 obligations	...	$53,270
1990 as enacted	...	56,784
1990 Sequestration	...	-757
1990 appropriation anticipated	...	56,027
1991 base	...	56,027
Program changes (detailed below)	...	14,601
1991 estimate	...	70,628

Comparison by Activity and Program	1991 Base Perm. Pos.	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate Amount	Inc./Dec. Perm. Pos.	Inc./Dec. Amount
1. Fees and Expenses of Witnesses	...	$38,553	...	$49,444	...	$10,891
2. Protection of Witnesses	...	14,918	...	18,228	...	3,310
3. Victim Compensation Fund	...	582	...	582	...	...
4. Private Counsel	...	1,974	...	2,374	...	400
TOTAL	...	56,027	...	70,628	...	14,601

Program Changes	Amount
Fees and Expenses of Witnesses	$10,891

The total requested program increase for this activity will be used to pay for increased costs associated with obtaining expert witness services. In the past several years, the Department's expert witness expenses have dramatically increased due in part to expansion of expert witness usage and significant increases in the level of compensation demanded by most witnesses, especially those with highly specialized or technical skills.

FEES AND EXPENSES OF WITNESSES

Program Changes	Perm. Pos.	Amount
Protection of Witnesses....................................		$3,310
This requested enhancement will allow the Department to maintain two new safesites and pay increased housing, relocation and medical expenses of Federally-protected witnesses and their families. The need for additional funds reflects increased participation in the witness protection program.		
Private Counsel...	...	400
This requested increase will allow the Department to hire more outside counsel to handle a projected increase in the number of *Bivens* cases, wherein the private bar attempts to couch tort claims against Government employees in terms of constitutional issues. These types of cases generally involve more defendants and, therefore, require the retention of more than one attorney per case. Finally, *Bivens* cases tend to involve complex constitutional issues and consequently result in numerous appeals, which also increase private counsel expenses.		
Total program changes, Fees and Expenses of Witnesses.........	...	14,601

SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	118	$27,794
Department of Justice Appropriations Act, 1990	118	29,334
1990 Sequestration	...	-404
1990 appropriation anticipated	118	28,930
Mandatory increases (see p. 12)	...	465
Decrease for the Federal Telecommunications System	...	-96
1991 base	118	29,299
Program changes	...	-1,127
1991 estimate	118	28,172

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. Prevention and conciliation of community disputes:						
Technical assistance	6	$482	6	$482	...	...
Program operations	63	6,147	63	6,147	...	...
Executive direction & control	13	1,367	13	1,367	...	...
Administrative services	6	396	6	396	...	...
	88	8,392	88	8,392	...	...
2. Reception, processing and care of Cubans and Haitians	30	20,907	30	19,780	...	-$1,127
TOTAL	118	29,299	118	28,172	...	-1,127

Program Changes	Perm. Pos.	Amount
Reception, Processing and Care of Cubans and Haitians	...	-$1,127

As a result of the $1,127,000 decrease in the Reception, Processing and Care of Cubans and Haitians Program, the Community Relations Service (CRS) will perform 134 fewer outplacements of Mariel Cubans and Haitians than the 1,715 completed in 1989. The CRS will outplace 440 detained Mariel Cubans through the halfway house program, 269 through the family sponsorship program and 57 through its aftercare program. In addition, 503 Cubans and Haitians will be provided primary resettlement assistance and 300 will be provided secondary resettlement assistance.

INDEPENDENT COUNSEL
(Dollars in thousands)

Permanent Indefinite Appropriation

	Perm. Pos.	Amount
1989 obligations	...	$8,236
1990 estimated obligations	...	6,000
1990 Sequestration	...	-84
1990 appropriation anticipated (obligation limitation)	...	5,916
Nonrecurring decrease	...	-1,916
1991 estimate	...	4,000

Comparison by activity and program	1991 Base		1991 Estimate		Inc./Dec.	
	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
1. Independent Counsel	...	$4,000	...	$4,000	...	...

Congress enacted a permanent indefinite appropriation to fund the expenses of Independent Counsel investigations and prosecutions in the 1988 Department of Justice Appropriations Act (P.L. 100-202). Under this appropriation, all necessary costs and expenses incurred in the pursuit of these investigations will be funded from amounts available to the Treasury. Prior to 1988, these counsel were funded through the General Legal Activities appropriation. In 1991, it is expected that the major part of the ongoing investigations will be complete; therefore, the Department projects an estimated need for $4 million.

CIVIL LIBERTIES PUBLIC EDUCATION FUND
(Dollars in thousands)
Advance Appropriation

	Perm. Pos.	Amount
1989 obligations	...	...
Department of Justice Appropriations Act, 1990	...	...
1991 base	...	...
Program changes (detailed below)	...	$500,000
1991 estimate	...	500,000

Comparison by activity and program	1991 Base Perm Pos.	1991 Base Amount	1991 Estimate Perm Pos.	1991 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
Civil Liberties Public Education Fund	...	...	...	$500,000	...	$500,000

Program Changes

	Amount
Redress Payments	$500,000

In the 1990 appropriation for the Department, Congress authorized and appropriated $500 million in 1991 for payments to eligible individuals of Japanese ancestry who were interned during World War II pursuant to the Civil Liberties Act of 1988. The same amount was also appropriated for 1992, with the remaining $250 million of the $1.25 billion identified in the Act being appropriated in 1993.

U.S. TRUSTEE SYSTEM FUND
(Dollars in thousands)

	Perm.[1] Pos.	Amount
1989 obligations	893	$55,710
1990 as enacted	893	60,729
1990 Sequestration	...	-690
1990 appropriation anticipated	893	60,039
Mandatory increases (see p. 15)	36	4,722
Decreases for the Federal Telecommunications System	...	-58
1991 base	929	64,703
Program changes (detailed below)	...	970
1991 estimate	929	65,673

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. Administration of cases	875	$58,899	875	$58,869	...	-$30
2. Management and Administration	54	5,804	54	6,804	...	1,000
TOTAL	929	64,703	929	65,673	...	970

Program Changes	Perm Pos.	Amount
1. Administration of Cases	...	-$30
This requested program reduction represents resource savings generated by contracting out functions that are not unique to Government services.		
2. Management and Administration	...	1,000
This requested enhancement provides funding needed to conduct audits of private trustees. These audits are necessary to ensure compliance with bankruptcy law and will be performed by private contractors.		
Total, program changes, U.S. Trustee System Fund	...	970

---

[1] The Permanent Positions column reflects those positions funded from program revenues. They are not included in the Department's total positions.

ASSETS FORFEITURE FUND
(Dollars in thousands)

Special Fund

	Perm. Pos.	Amount
1989 obligations	...	$271,606
1990 definite budget authority	...	100,000
1990 Sequestration	...	-1,055
1990 appropriation anticipated	...	98,945
1990 permanent indefinite availability	...	261,230
1990 Sequestration	...	-3,328
1990 permanent indefinite availability	...	257,902
Total 1990 availability.	...	356,847
1991 base.	...	356,847
Program changes (detailed below)	...	15,153
1991 estimate.	...	372,000

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. Definite budget authority.....	...	$98,945	...	$100,000	...	$1,055
2. Permanent indefinite availability...............	...	257,902	...	272,000	...	14,098
Total..........................	...	356,847	...	372,000	...	15,153

Program Changes	Perm Pos.	Amount
Definite budget authority.	...	$1,055

Provides an increase for program-related expenses directly related to an increase in expected forfeitures.

Permanent indefinite budget authority.	...	14,098

Provides an increase for expenses as a direct result of an increase in expected forfeitures. Included in this category are expenses necessary to seize, detain, inventory, safeguard, maintain, advertise or sell property under seizure. Also included are expenses for Equitable Sharing payments which are expected to increase from $193 million in 1990 to $200 million in 1991.

TOTAL program changes, Assets Forfeiture Fund.	...	15,153

ORGANIZED CRIME DRUG ENFORCEMENT
(Dollars in thousands)

	Perm. 1/ Pos.	Amount
1989 obligations	...	...
Department of Justice Appropriations Act, 1990		$168,560
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding		46,361
1990 as enacted	2,826	214,921
Adjustment in permanent positions	92	...
1990 appropriation anticipated	2,918	214,921
Mandatory increases (see p. 13)	...	10,501
Decreases for nonrecurring costs associated with 1990 program increases	...	-2,717
1991 base	2,918	222,705
Program changes (detailed below)	1,044	107,295
1991 estimate	3,962	330,000

Comparison by activity and program	1991 Base Perm 1 Pos.	1991 Base Amount	1991 Estimate Perm 1 Pos.	1991 Estimate Amount	Inc./Dec. Perm 1 Pos.	Inc./Dec. Amount
1. Drug Law Enforcement:						
Drug Enforcement Administration	837	$70,766	963	$91,316	126	$20,550
Federal Bureau of Investigation	637	53,311	911	88,787	274	35,476
Immigration and Naturalization Service	94	7,599	123	10,022	29	2,423
U.S. Marshals Service	13	1,056	13	1,056	...	...
U.S. Customs Service	226	14,984	351	25,300	125	10,316
Bureau of Alcohol, Tobacco, and Firearms	135	8,885	135	9,697	...	812
Internal Revenue Service	277	14,951	467	33,680	190	18,729
U.S. Coast Guard	10	858	10	858	...	...
Subtotal	2,229	172,410	2,973	260,716	744	88,306

ORGANIZED CRIME DRUG ENFORCEMENT

Comparison by activity and program	1991 Base		1991 Estimate		Inc./Dec.	
	Perm [1] Pos.	Amount	Perm [1] Pos.	Amount	Perm [1] Pos.	Amount
2. Prosecutions:						
U.S. Attorneys................	659	$47,316	956	$66,182	297	$18,866
Criminal Division.............	6	698	6	698	...	...
Tax Division..................	14	1,188	14	1,188	...	...
Subtotal......................	679	49,202	976	68,068	297	18,866
3. Administrative Support:						
Task Force Administrative Staff	10	1,093	13	1,216	3	123
TOTAL.........................	2,918	222,705	3,962	330,000	1,044	107,295

---

[1] The positions reflected under this appropriation are reimbursable positions for the participating agencies. They are not included in the Department's total positions.

Program Changes	Perm. Pos.	Amount
Drug Law Enforcement......................................	744	$88,306

Several Organized Crime Drug Enforcement (OCDE) component organizations have experienced an erosion of their direct funding as the need to support OCDE cases has increased. These agencies can no longer continue to divert resources to Task Force cases at the expense of other critical requirements. To correct agency "overburn" of resources for the OCDE program, the following participant agencies request the increases indicated: Federal Bureau of Investigation, 274 positions (154 agents), 224 workyears and $35,476,000; Internal Revenue Service, 190 positions (139 agents), 154 workyears and $18,729,000; Immigration and Naturalization Service, 29 positions (24 agents), 14 workyears and $2,423,000. In addition, the U.S. Customs Service requests an increase of 125 positions (92 agents), 90 workyears and $10,316,000 to enhance resources supporting the investigation of international money laundering activities. An increase of $812,000 is requested for the Bureau of Alcohol, Tobacco and Firearms to implement new electronic interception authority related to firearms investigations. Also, the Drug Enforcement Administration requires an additional 126 positions (93 agents), 50 workyears and $20,550,000 to increase its investigative support to the OCDE program; this includes a $1,800,000 enhancement for State and local overtime. Requested increases reflect new resources, not additional transfers.

ORGANIZED CRIME DRUG ENFORCEMENT

Program Changes	Perm. Pos.	Amount
Prosecutions	297	$18,866
An increase of 297 positions (151 attorneys), 148 workyears and $18,886,000 is requested to provide the level of resources needed to maintain a 1:4 ratio of prosecutors to investigators in the OCDE program. Requested increases reflect new resources, not additional transfers.		
Administrative Support	3	123
To address the added responsibility of developing and monitoring the OCDE budget and financial management functions which have resulted from the 1990 consolidation of program resources in a single appropriation, an increase of 3 positions, 2 workyears and $123,000 is requested. Requested increases reflect new resources, not additional transfers.		
Total program changes, OCDE	1,044	107,295

FEDERAL BUREAU OF INVESTIGATION
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	22,421	$1,458,555
Department of Justice Appropriations Act, 1990		1,423,340
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding		97,045
1990 as enacted.	21,545	1,520,385
1990 sequestration	-409	-20,941
1990 appropriation anticipated	21,136	1,499,444
Mandatory increases (see p. 13).	...	137,759
Decreases:		
Nonrecurring decrease for 1990 increases	...	-7,389
Unemployment compensation - FECA	...	-102
Federal Telecommunications System 2000	...	-1,700
Transfer of Washington Field Office funding. . . .	...	-10,000
Construction of ERF-Pod B.	...	-15,000
Deficit reduction.	-38	-1,844
Reduction of 55 agents in administrative positions in headquarters.	...	-768
1991 base.	21,098	1,600,400
Program changes (detailed below)	545	39,837
1991 estimate.	21,643	1,640,237

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program[1]	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. Criminal, security and other investigations:						
Other field programs........	8,892	$669,078	8,782	$685,541	-110	$16,463
Organized crime............	1,699	126,241	1,824	128,128	125	1,887
Drugs......................	1,339	88,341	1,672	107,509	333	19,168
White-collar crime..........	3,435	237,387	3,810	246,548	375	9,161
Subtotal.................	15,365	1,121,047	16,088	1,167,726	723	46,679

---

[1] In addition, reimbursable resources to support $51,495,000, 637 positions and 637 workyears in 1990 are provided and $88,787,000, 911 positions and 861 workyears in 1991 are provided from the Organized Crime Drug Enforcement appropriation.

FEDERAL BUREAU OF INVESTIGATION

Comparison by activity and program	1991 Base Perm Pos.	1991 Base Amount	1991 Estimate Perm Pos.	1991 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
2. Investigative support:						
Training	379	$27,843	386	$27,565	7	-$278
Forensic services - federal.	346	26,209	361	27,325	15	1,116
ADP and telecommunications	538	145,733	517	140,218	-21	-5,515
Records management	805	42,346	783	43,205	-22	859
Technical field support and equipment	208	61,494	209	62,121	1	627
Subtotal	2,276	303,625	2,256	300,434	-20	-3,191
3. State and local assistance:						
General law enforcement training	273	21,437	265	21,040	-8	-397
Forensic services - non-federal	108	10,194	104	10,001	-4	-193
Fingerprint identification	1,537	68,238	1,421	66,530	-116	-1,708
Criminal justice data and statistics services	191	10,230	185	10,035	-6	-195
Subtotal	2,109	110,099	1,975	107,606	-134	-2,493
4. Program direction:						
Executive direction and control	527	30,804	522	30,319	-5	-485
Administrative services	821	34,825	802	34,152	-19	-673
Subtotal	1,348	65,629	1,324	64,471	-24	-1,158
TOTAL	21,098	1,600,400	21,643	1,640,237	545	39,837

Program Changes	Perm. Pos.	Amount
Program Increases		
Other Field Programs	205	$35,512

This request includes an increase of 205 positions (including 61 agents) and $35,512,000 for personnel and technical investigative equipment in support of high priority field investigative activities.

Organized Crime	172	4,119

An enhancement of 172 positions (including 78 agents) and $4,119,000 is requested to combat the emerging problem

FEDERAL BUREAU OF INVESTIGATION

Program Changes	Perm. Pos.	Amount
Program Increases		
of Asian organized crime in the United States. Included in this enhancement are 50 general support positions, 26 Title III monitors, 14 language specialists and 4 intelligence research personnel. The Asian organized crime threat is attributed primarily to Triad and Tong groups from Hong Kong and the Yakuza from Japan.		
Drugs.	333	$19,168
This increase provides 155 positions (including 94 agents) and $6,307,000 for field investigations in support of the FBI's National Drug Strategy. In addition, 178 special support positions are requested to assist FBI agents, allowing them to devote their time to investigative activities. These include electronic surveillance monitors (40 positions and $636,000), forfeiture analysts (50 positions and $927,000), drug intelligence analysts (38 positions and $924,000), and language specialists (50 positions and $927,000). Increased funding for undercover operations ($6,674,000) and informant payments ($2,773,000) is also requested for this program.		
White-Collar Crime	440	12,416
An additional 440 positions (including 249 agents) and $12,416,000 are requested for several priority program areas with burgeoning workload. These include: Department of Defense procurement fraud (198 positions and $5,349,000); bank fraud and embezzlement (68 positions and $1,798,000); fraud by wire (116 positions and $3,061,000); and bankruptcy fraud (28 positions and $800,000). Also, 30 accounting technicians and $605,000 are requested to provide quantitative support to investigations. Finally, funding of $803,000 is requested for increased payments to cooperating witnesses.		
Training	18	251
This increase provides 18 support positions and $251,000 for custodians, operating engineers, and security to maintain the Engineering Research Facility-Pod A.		

FEDERAL BUREAU OF INVESTIGATION

Program Changes	Perm. Pos.	Amount
Program Increases		
Forensic Services - Federal.	25	1,605
This will provide an enhancement of 25 support positions and $505,000 for the FBI Laboratory directed toward the areas of drug records, magnetic media, aerial photography, and materials analysis. It also includes additional chemists and a firearms examiner. Funding of $1,100,000 is included for the Language program for contract linguists, testers and training to address the backlog in and increasing number of tape translations required as investigations expand against Asian and other organized crime groups and against drug cartels.		
ADP and Telecommunications	5	$89
An increase of 5 support positions and $89,000 is requested to design, develop, implement, maintain, and enhance a new generation of automated systems to support FBI requirements. This request includes two positions for the Generic Case Management System which provides the architecture for an integrated system supporting all functions of any investigation conducted by the FBI. Also, three positions are included for the Scientific Management Information and Research System which supports the FBI's deoxyribonucleic acid research and analysis.		
Records Management	75	2,093
An additional 75 positions (including 19 agents) and $2,093,000 are requested to enhance the FBI's Industrial and Personnel Security Programs. These resources will be used to perform investigations of contract employees who have access to National Security Information (NSI) as well as FBI facilities, and to perform five-year reinvestigations of FBI employees with access to NSI.		
Technical Field Support and Equipment.	5	6,409
Included in this request are 2 support positions and $3,289,000 (including $3,200,000 in equipment funding)		

FEDERAL BUREAU OF INVESTIGATION

Program Changes	Perm. Pos.	Amount
Program Increases		

to enhance the FBI's physical surveillance capabilities. Special investigative equipment such as closed circuit television ($1,800,000), tracking devices ($1,000,000) and equipment to permit surreptitious entries ($400,000) are included. Two electronic technicians are required to maintain this equipment. To enhance surveillance capabilities, an additional 3 support positions and $3,120,000 in equipment funding are requested. This will provide for eight digital audio transcriber workstations ($1,200,000) to improve the transcription of intercepted audio conversations, additional dialed number recorders and supporting equipment ($720,000), and recording equipment ($1,200,000). Three electronic technicians are needed to support this additional equipment.

Executive Direction and Control.	7	$90

An enhancement of 7 positions and $90,000 is requested to conduct audits of the FBI's overall financial activity and congressionally-mandated audits of undercover operations.

SUBTOTAL, program increases.	1,285	81,752

Program Decreases

Program decreases totaling 514 positions (including 227 agents) and $27,322,000 are requested by the FBI in order to meet targeted budget deficit levels established by the Administration. These decreases are presented in the following table:

FEDERAL BUREAU OF INVESTIGATION

Program Changes	Perm. Pos.	Amount

Program Decreases

Program	Perm. Pos.	Agent Pos.	Amount
Other Field Programs	-235	-133	-$12,528
Organized Crime	-47	-27	-2,232
White-Collar Crime	-65	-44	-3,255
Training	-11	-4	-529
Forensic Services - Federal	-10	-3	-489
ADP and Telecommunications	-26	-2	-2,888
Records Management	-24	-2	-796
Technical Field Support and Equipment	-4	...	-1,295
General Law Enforcement Training	-8	-5	-397
Forensic Services - Non-Federal	-4	-1	-193
Fingerprint Identification	-43	...	-1,277
Criminal Justice Data and Statistics Services	-6	...	-195
Executive Direction and Control	-12	-4	-575
Administrative Services	-19	-2	-673
TOTAL	-514	-227	-27,322

A total reduction of $13,724,000 is requested to partially offset the $41,979,000 cost of implementing P.L. 101-173. Also, 80 positions (including 25 agents) will be shifted from direct appropriation funding to reimbursable funding. P.L. 101-173 amends 5 U.S.C. 5545(c)(2) allowing that effective October 1, 1990, administratively uncontrollable overtime (AUO) will be paid at a maximum rate of 25 percent of the rate of basic pay for a position instead of being based on the salary of a GS-10 step 1. This reduction includes the following program decreases: travel ($1,000,000); confidential case funding in Other Field Program ($1,000,000); conducting background investigations for the U.S. Attorneys on a reimbursable basic as is done with other Federal agencies (80 positions (including 25 agents) and $2,655,000); and equipment funding ($9,069,000) including $1,064,000 for replacement vehicles, $2,716,000 for ADP equipment, $3,630,000 for field investigative equipment, and $1,659,000 for field office furniture and related equipment. Reductions by program are as follows:

FEDERAL BUREAU OF INVESTIGATION

Program Changes	Perm. Pos.	Amount

Program Decreases

Program	Perm. Pos.	Agent Pos.	Amount
Other Field Programs	-80	-25	-$6,521
ADP and Telecommunications	...	...	-2,716
Technical Field Support and Equipment. .	...	...	-4,487
TOTAL.	-80	-25	-13,724

The final program change is a decrease of 146 positions and $869,000 for management and productivity initiatives associated with OMB Circular A-76. The decrease is reflected in the Records Management (73 positions and $438,000) and the Fingerprint Identification (73 positions and $431,000) programs. .

	Perm. Pos.	Amount
SUBTOTAL, program decreases.	-740	-$41,915
TOTAL program changes, Federal Bureau of Investigation . .	545	39,837

DRUG ENFORCEMENT ADMINISTRATION
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	5,896	$526,211
Department of Justice Appropriations Act, 1990		492,180
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding	—	64,301
1990 as enacted	5,407	556,481
1990 Sequestration	...	-7,772
1990 appropriation anticipated	5,407	548,709
Mandatory increases (see p. 13)	...	50,416
Decreases:		
Reduction of 12 agent workyears in administrative positions in Headquarters	...	-167
Federal Telecommunications System savings	...	-2,107
Nonrecurring items for 332 positions and resources added in 1990	...	-18,610
1991 base	5,407	578,241
Program changes (detailed below)	705	121,759
1991 estimate	6,112	700,000

Comparison by activity and program[1]	1991 Base Perm Pos.	1991 Base Amount	1991 Estimate Perm Pos.	1991 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
1. Enforcement of federal law and investigation:						
Domestic enforcement	1,704	$153,266	2,117	$191,956	413	$38,690
Special Enforcement Operations/Programs	559	58,276	596	71,950	37	13,674
Foreign cooperative investigations	291	52,096	313	56,973	22	4,877
Diversion control	570	40,333	603	42,352	33	2,019
State and local task forces	266	33,070	311	41,894	45	8,824
Subtotal	3,390	337,041	3,940	405,125	550	68,084

---

[1] In addition, reimbursable resources to support $68,207,000, 837 positions and 787 workyears in 1990 and $91,316,000, 963 positions and 874 workyears in 1991 are provided from the Organized Crime Drug Enforcement appropriation.

DRUG ENFORCEMENT ADMINISTRATION

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
2. Investigative support:						
Intelligence.................	549	$46,022	634	$53,145	85	$7,123
DEA laboratory services......	247	19,567	285	22,854	38	3,287
DEA training.................	72	14,970	94	16,883	22	1,913
Research, engineering and technical operations.......	320	40,456	341	79,940	21	39,484
ADP and telecommunications...	109	63,739	96	64,689	-13	950
Records management...........	70	5,241	70	5,241	...	...
Subtotal...................	1,367	189,995	1,520	242,752	153	52,757
3. State and local assistance:						
State and local training.....	30	3,512	30	3,512	...	...
State and local laboratory services...................	25	2,121	25	2,121	...	...
Subtotal..................	55	5,633	55	5,633	...	...
4. Program direction:						
Executive direction and control....................	367	25,702	371	26,632	4	930
Administrative services......	228	19,870	226	19,858	-2	-12
Subtotal...................	595	45,572	597	46,490	2	918
TOTAL.........................	5,407	578,241	6,112	700,000	705	121,759

Program Changes	Perm. Pos.	Amount
Domestic enforcement	413	$38,690

Included in this increase are the following: 375 positions (including 300 agents), 188 workyears and $36,947,000 to enhance enforcement efforts in 15 major drug importation and distribution centers throughout the United States. Included in this increase are resources to support two new Agent groups consisting of 15 agents per group in each of the five High Intensity Drug Trafficking Areas identified in the Administration's National Drug Control Strategy and 38 positions, 19 workyears and $1,743,000 to provide additional administrative and technical support to domestic field offices.

Special Enforcement Operations/Programs.	37	13,674

This program change includes an increase of 37 positions (including 30 agents), 19 workyears and $3,674,000 to backfill resources for Operation SNOWCAP that are being diverted from domestic enforcement operations. An increase

DRUG ENFORCEMENT ADMINISTRATION

Program Changes	Perm. Pos.	Amount
of $10,000,000 is also requested to augment the efforts of the Domestic Cannabis Eradication/Suppression program. This increase will provide for total funding of $13,800,000 for this program.		
Foreign Cooperative Investigations	22	$4,877
This increase of 22 positions, 11 workyears and $4,877,000 includes 18 agents to expand 13 existing foreign offices and open one new overseas office in Salta, Argentina which is located in a remote area that is strategic to the transshipment of cocaine and chemicals.		
Diversion Control.	33	2,019
This program change includes an increase of 35 positions (including 28 diversion investigators), 17 workyears and $2,031,000 to implement the Chemical Control and Diversion Act of 1988 and provide chemical movement intelligence support at Headquarters and in select country offices with specific chemical control needs; and a decrease of 2 positions, 2 workyears, and $12,000 for management and productivity savings from pharmacist registration activities.		
State and local Task Forces.	45	8,824
This increase of 45 positions, 22 workyears and $8,824,000 includes 36 agents to fund nine provisional State and local Task Forces (for a grand total of 60 State and local Task Forces operating in 1991), thereby enhancing cooperation among Federal, State and local governments. Of this amount $4,390,000 is included to purchase cars, radios and other equipment to support participating State and local officers. DEA currently has eight provisional task forces under consideration for permanent funding. DEA is currently evaluating requests to initiate additional provisional task forces. They are located in Boston, MA; Columbus, OH; Saginaw, MI; North Lake Tahoe, CA; Westchester County, NY; San Diego, CA; Fresno, CA; and San Francisco (airport), CA.		
Intelligence	85	7,123
This increase includes 68 positions (including 54 intelligence analysts), 34 workyears and $4,367,000 to enhance financial and investigative intelligence capabilities and to correct the shortfall between the number of investigators involved in DEA cases and the number of operational intelligence analysts to support		

DRUG ENFORCEMENT ADMINISTRATION

Program Changes	Perm. Pos.	Amount
these activities; and 17 positions (including 3 intelligence analysts), 9 workyears and $2,756,000 to complete the enhancement of the El Paso Intelligence Center as an all-source tactical intelligence center.		—
DEA Laboratory Services.	38	$3,287
This increase includes 38 positions (including 20 chemists), 19 workyears and $3,287,000 to support the Heroin Signature and Laboratory Standards programs, to provide support to the hazardous waste disposal program, and through support the additional investigative special agents for the timely analysis of drug evidence, presentation of expert testimony in court, assistance on clandestine laboratory investigations, and ballistics and signature analyses in support conspiracy cases.		
DEA Training	22	1,913
This increase includes 14 firearms instructors (agent positions), 7 workyears and $1,578,000 to provide full-time firearms instructors in each field division; and 8 support positions, 4 workyears and $335,000 to provide administrative and clerical positions for DEA's training program.		
Research and engineering and technical operations.	21	39,484
Included in this increase are 21 positions (including 10 agents), 10 workyears and $3,506,000 to enhance DEA's technical operations and research and engineering activities; $3,100,000 for domestic and foreign radio equipment; $1,000,000 for cellular telephone intercept circuitry; $12,550,000 for the replacement of seven single-engine, fixed-wing and four twin-engine turboprop aircraft; $8,000,000 for two new twin-engine turboprop aircraft for Operation SNOWCAP; $1,328,000 for additional operating and maintenance expenses for seized aircraft; and $10,000,000 for the relocation of DEA's airwing facility to support the need for adequate space, security and maintenance requirements for DEA aircraft.		
ADP Telecommunications	-13	950
This program change includes an increase of 8 positions, 4 workyears and $489,000 to support systems development and programming of modified applications; systems integration, security, and qualify assurance of existing programs; monitoring of contract support; and database administration in the ADP and Telecommunications program;		

DRUG ENFORCEMENT ADMINISTRATION

Program Changes	Perm. Pos.	Amount
$583,000 for computer support for the El Paso Intelligence Center; and a decrease of 21 positions, 21 workyears and $122,000 for management and productivity savings from field data entry and computer programming activities.		
Executive Direction and Control.	4	$930
This program change includes an increase of 18 positions (including 8 attorneys), 9 workyears and $1,011,000 to enhance DEA's legal services, and financial management and planning and inspection activities. As DEA's agent strength and overall budget has grown, increased attention must be paid to these areas. A decrease of 14 positions, 14 workyears, and $81,000 is also included for management and productivity savings from accounting and asset forfeiture fund functions.		
Administrative Services.	-2	-12
This program change reflects a decrease of 2 positions, 2 workyears and $12,000 for management and productivity savings from office services functions.		
Total program changes, Drug Enforcement Administration . .	705	121,759

IMMIGRATION AND NATURALIZATION SERVICE

(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	15,293	$820,973
Department of Justice Appropriations Act, 1990		828,300
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding		16,891
1990 as enacted.	12,388	845,191
1990 Sequestration	...	-2,894
1990 appropriation anticipated	12,388	842,297
Mandatory increases (see p. 13).	...	55,664
Decreases:		
Nonrecurring costs of the Machine Readable Visa program and the Automated Fingerprint Identification system.	...	-7,000
Nonrecurring decrease for positions added in 1990. . .	...	-5,690
Federal Telecommunication System savings	...	-1,879
1991 base.	12,388	883,392
Program changes (detailed below)	134	957
1991 estimate.	12,522	884,349

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program[1]	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. Enforcement:						
Inspections.................	1,057	$82,582	1,161	$80,607	104	-$1,975
Border Patrol...............	4,852	276,488	5,052	290,504	200	14,016
Investigations..............	1,627	103,471	1,650	97,097	23	-6,374
Anti-smuggling..............	352	22,077	338	20,552	-14	-1,525
Detention & Deportation.....	1,537	157,869	1,537	151,611	...	-6,258
Employer & Labor Relations..	51	4,231	51	4,811	...	580
Subtotal.................	9,476	646,718	9,789	645,182	313	-1,536

---

[1] In addition, reimbursable resources to support $8,045,000, 94 positions and 48 workyears in 1990 and $10,022,000, 123 positions and 108 workyears in 1991 are to be provided from the Organized Crime Drug Enforcement appropriation.

IMMIGRATION AND NATURALIZATION SERVICE

Comparison by activity and program	1991 Base Perm Pos.	1991 Base Amount	1991 Estimate Perm Pos.	1991 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
2. Citizenship and Benefits:						
Adjudications & Naturalization............	...	...	...	...	...	...
Refugees & Overseas.........	105	$13,169	105	$12,043	...	-$1,126
Subtotal.................	105	13,169	105	12,043	...	-1,126
3. Immigration Support:						
Training.....................	101	11,105	107	10,893	6	-212
Data & Communication Systems..................	221	55,134	181	40,209	-40	-14,925
Information & Records Management................	1,067	54,160	1,012	52,201	-55	-1,959
Intelligence................	55	3,069	52	2,844	-3	-225
Research & Development......	4	540	4	530	...	-10
Construction & Engineering..	16	7,110	13	24,101	-3	16,991
Field Management & Support..	302	20,079	289	18,444	-13	-1,635
Legal Proceedings...........	487	30,193	466	28,993	-21	-1,200
Subtotal.................	2,253	181,390	2,124	178,215	-129	-3,175
4. Program Direction:						
Executive Direction & Control..................	99	7,141	92	6,858	-7	-283
Administrative Services.....	455	34,974	412	42,051	-43	7,077
Subtotal.................	554	42,115	504	48,909	-50	6,794
TOTAL........................	12,388	883,392	12,522	884,349	134	957

Program Changes	Perm. Pos.	Amount
Inspections.	104	$1,306

The requested increase of 104 positions and $1,306,000 will be used by the Inspections program to convert temporary inspectors to permanent positions. As a result of this conversion, these Immigration Inspectors will receive formal training, which will improve productivity and effectiveness as well as reduce the INS reliance on temporary employees at the U.S. land border inspection sites.

IMMIGRATION AND NATURALIZATION SERVICE

	Perm. Pos.	Amount
Program Changes		
Border Patrol.	200	$16,327
An increase of 200 positions (174 Border Patrol agents) and $16,327,000 is requested to increase border patrol staffing and to purchase additional intrusion and detection equipment, dogs, aircraft, and barriers. These program increases will allow INS to operate a stronger border enforcement program which is a critical element in the Office of National Drug Control Policy's Drug Strategy.		
Employer and Labor Relations	...	884
An enhancement of $884,000 for the Employer and Labor Relations program is requested for a public outreach campaign related to Section 102 of the Immigration Reform and Control Act (IRCA) of 1986, which prohibits employment discrimination on the basis of national origin and citizenship status. The additional outreach efforts address the need for increased public education about the anti-discrimination provision of IRCA, as concluded in the General Accounting Office report "Immigration Reform: Status of Implementing Employer Sanctions After the Second Year".		
Data and Communications.	...	567
The requested increase of $567,000 will be used to improve and expand existing automated data processing systems. The planned changes include: expansion of the National Crime Information Center/National Law Enforcement Telecommunications System to support additional INS field offices, implementation of the Telephone Verification project mandated by IRCA, and conversion of the INS Financial Accounting and Control System to the Financial Management Information System used by the Department, which should result in more timely, more informative reports of INS's financial status.		
Construction and Engineering	...	17,188
Increases totalling $17,188,000 are requested for the Construction and Engineering program including, $4,500,000 to expand the Krome, Florida Service Processing Center to include a 300-bed lock-down men's dormitory; $10,000,000 to begin to construct a traffic checkpoint at San Clemente, California, and $388,000 for two additional checkpoints at Marathon and Alpine, Texas; and $2,300,000 to construct two border patrol stations on the Southern border at Brownfield, California, and Ysleta, Texas.		

IMMIGRATION AND NATURALIZATION SERVICE

	Perm. Pos.	Amount
Program Changes		
Administrative Services.	...	$8,437

An additional $8,437,000 is requested for the Administrative Services program to purchase law enforcement vehicles for use by the Border Patrol and Detention and Deportation programs.

Data and Communications.	...	-13,133

A program decrease of $13,133,000 is requested in the Data and Communications program as a result of the Adjudications and Naturalization program being entirely funded from the Immigration Examinations Fee account in 1990. The Administration believes that these ADP and telecommunications expenses are directly related to adjudications activities and should be funded through the Immigration Examinations Fee account beginning in 1991.

Realignment of Positions and Resources to Meet Levels Established by the Administration.	-60	-22,127

Net program decreases of 60 positions and $22,127,000 are requested to meet budget deficit levels established by the Administration and realign positions with available funding. These reductions can be achieved through various measures. INS has shown increases in efficiency in its programs over the last several years which will further enable it to absorb these reductions.

Decision Unit	Pos.	Amount
Inspections	...	-3,281
Border Patrol	...	897
Investigations	23	-3,891
Anti-Smuggling	-14	-761
Detention and Deportation	...	-5,953
Employer and Labor Relations	...	-170
Refugees and Overseas	...	-916
Training	6	-97
Data and Communications	-40	-2,359
Information and Records Management	55	-1,316
Intelligence	-3	-110
Research and Development	...	-10
Construction and Engineering	-3	-197
Field Management and Support	-13	-1,120
Legal Proceedings	-21	-1,200
Executive Direction and Control	-7	-283
Administrative Services	-43	-1,360
TOTAL	-60	-22,127

Program Changes	Perm. Pos.	Amount
Program Decreases Related to Additional AUO Costs.	...	-$7,849

A total reduction of $7,849,000 is requested to offset partially the $11,071,000 cost of implementing P.L. 101-173. This law amends 5 U.S.C. 5545(c)(2) allowing that effective October 1, 1990, administratively uncontrollable overtime (AUO) will be paid at a maximum rate of 25 percent of the rate of basic pay for a position instead of being based on the salary of a GS-10 step 1. This program decrease will result in a reduction in discretionary travel, fewer permanent change of station moves, reductions in 31 Act overtime, and elimination of AUO payments to agents stationed at the INS central and regional offices. Reductions by program are as follows:

Decision Unit	Amount
Border Patrol	-3,208
Investigations	-2,483
Anti-Smuggling	-764
Detention and Deportation	-305
Employer and Labor Relations	-134
Refugees and Overseas	-210
Training	-115
Intelligence	-115
Field Management and Support	-515
TOTAL	-7,849

	Perm. Pos.	Amount
Program Decreases Reflecting A-76 Savings.	-110	-643

Decreases of 110 positions and $643,000 reflect A-76 Management and Productivity Savings which can be achieved by contracting out functions currently performed by the Information and Records Management program.

	Perm. Pos.	Amount
TOTAL program changes, Immigration and Natz. Service . . .	134	957

IMMIGRATION EMERGENCY FUND
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	...	...
Department of Justice Appropriations Act, 1990	...	$35,000
Adjustments to base.	...	-35,000
1991 base.	...	...
Program changes (detailed below)	...	...
1991 estimate.	...	...

The Immigration Emergency Fund, established by the Immigration Reform and Control Act of 1986 and funded by Public Law 101-162, provides funds for possible increases in border patrol and other enforcement activities, and for reimbursement to States and localities for assistance in meeting an immigration emergency.

Adjustments to base

The Department has no current plans for use of this fund; therefore, no additional appropriation is requested. Declaration of an immigration emergency is subject to Presidential determination and Congressional notification.

IMMIGRATION LEGALIZATION
(Dollars in thousands)

Permanent Indefinite Special Fund

	Perm. Pos.[1]	Amount
1989 obligations	326	$99,044
1990 budget authority.	326	54,792
1990 Sequestration	...	-767
1990 budget availability	326	54,025
Adjustments to base.	-90	-16,457
1991 base.	236	37,568

The Immigration Reform and Control Act of 1986, P.L. 99-603, provided for the establishment of a Legalization program. Under this program, aliens who entered the U.S. illegally or lapsed into illegal status prior to January 1, 1982 and who have resided in the U.S. since then and who are not excludable, could apply for temporary resident status. The law allows those granted temporary resident status to apply for permanent resident status after 18 months upon showing general admissability and citizenship skills. Consistent with the Act, this program is to be funded through application fees, which shall be available without fiscal year limitation, to cover administrative and other expenses in connection with the review of legalization applications.

Adjustments to base

The 1991 request contains the resources necessary to receive and process the 1,622,500 applications for permanent status expected to be submitted to INS. The reductions in the 1991 estimate are due to the completion of contractual services and the phasing down of operations as a result of the completion of the temporary resident phase of the Legalization program.

---

[1] The permanent positions column reflects those positions funded from program revenues. They are not included in the Department's total positions.

IMMIGRATION USER FEE
(Dollars in thousands)

Permanent Indefinite Special Fund

	Perm. Pos.[1]	Amount
1989 obligations	1,338	$110,751
1990 budget authority.	1,338	105,000
1990 Sequestration	...	-1,470
1990 budget availability	1,338	103,530
Adjustments to base.	36	6,470
1991 estimate.	1,374	110,000

The Department of Justice 1987 Appropriation Act (P.L. 99-500 and P.L. 99-591) provided for the establishment of a $5 per individual user fee for certain passengers travelling into the United States. These fees are used to fund costs associated with immigration inspection and preinspection for passengers on certain commercial aircraft and vessels; overtime immigration inspection services; administrative debt recovery, including the operation of a national collections office; expansion, operation and maintenance of information systems for non-immigrant control and debt collection; detection of fraudulent documents used by passengers travelling to the United States, and detention and deportation services for excludable aliens arriving on commercial aircraft or vessels.

Adjustments to base

In 1991, additional collections of fees resulting from increased foreign travel are anticipated. Thus, the 1991 estimate is $110,000,000.

---

[1] The permanent positions column reflects those positions funded from program revenues. They are not included in the Department's total positions.

IMMIGRATION EXAMINATIONS FEE
(Dollars in thousands)

Permanent Indefinite Special Fund

	Perm.[1] Pos.	Amount
1989 obligations	504	$69,023
1990 budget authority	1,661	104,000
1990 Sequestration	...	-756
1990 availability	1,661	103,244
Adjustments to base	...	-13,244
1991 estimate	1,661	90,000

The Immigration Examinations Fee Account was established in the Department of Justice Appropriation Act, 1989 (P.L. 100-459) which created a separate account into which the Attorney General may deposit adjudication fees collected under the regulations governing INS. The 1990 Appropriations Act (P.L. 101-162) amended 8 U.S.C. 1356(n) so that INS would no longer be required to transfer $50,000,000 in adjudications receipts to the Treasury. In conjunction with this action, Congress eliminated all appropriated resources for the Adjudications and Naturalization program. Consequently, the entire cost of operating the Adjudications and Naturalization program will be funded from the Immigration Examinations Fee Account. All deposits to the account shall remain available until expended to reimburse any appropriation the amount paid out of such appropriation for expenses in providing immigration adjudication and naturalization services. The resources to be made available will be used to adjudicate applications and petitions for benefits under the Immigration and Nationality Act and to provide necessary support to adjudications and naturalization programs.

Adjustments to base

In 1991, the collection of fees is anticipated to be $90,000,000, thereby adjusting the base to $90,000,000. These fees will be used to support the adjudications and naturalization programs.

---

[1] The permanent positions column reflects those positions funded from program revenues. They are not included in the Department's total positions.

FEDERAL PRISON SYSTEM
Analysis of a decrease of $789,384 thousand
(Dollars in Thousands)

	SALARIES AND EXPENSES		NAT'L. INST. OF CORRECT.		BUILDINGS AND FACILITIES /1		TOTAL	
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
1989 obligations	15,240	$948,278	41	$8,058	181	$210,792	15,462	$1,167,128
Department of Justice Appropriations Act, 1990		1,097,631		10,112		401,332		1,509,075
Department of Transportation Appropriations Act, 1990		54,923		...		1,000,000		1,054,923
1990 as enacted	17,471	1,152,554	49	10,112	376	1,401,332	17,896	2,563,998
1990 Sequestration	...	(13,849)	...	(139)	...	(4,379)	0	(18,367)
1990 appropriation anticipated	17,471	1,138,705	49	9,973	376	1,396,953	17,896	2,545,631
1991 estimate	22,269	1,371,882	53	10,007	378	374,358	22,700	1,756,247
Change 1991 from 1990	4,798	233,177	4	34	2	(1,022,595)	4,904	(789,384)
Adjustments to base								
Adjustment to permanent positions and workyears	...	...	4	...	...	...	4	...
Mandatory increases:								
Annualization of positions approved in 1990	...	45,581	...	...	...	...	...	45,581
Additional Compensable Day		2,431	...	9	...	42	...	2,482
1990 Full-year pay increase	.	22,975	...	81	...	1,550	...	24,606
Executive salary increase	..	250	...	...	...	...	...	250
Special salary rates	...	3,998	...	...	...	...	...	3,998
Within-grade increases	...	...	...	19	...	...	...	19
Health benefits	...	3,956	...	10	...	35	...	4,001
Federal Employees Retirement System (FERS)	...	5,204	...	109	...	...	...	5,313
Fed. Employees' Comp. Act - Workers Comp	...	928	...	...	...	...	...	928
GSA Rent	...	...	...	20	...	...	...	20
GPO printing costs	...	22	...	...	...	...	...	22
Employee data and payroll services	...	131	...	...	...	...	...	131
1991 Pay Increase	...	9,408	...	33	...	602	..	10,043
Total, mandatory increases	0	94,884	0	281	...	2,229	0	97,394
Decreases:								
Activations	...	(26,728)	...	...	...	...	0	(26,728)
Non-recurring construction costs	...	...	...	...	(38)	(1,228,224)	(38)	(1,228,224)
GSA rent	...	(199)	...	...	...	...	0	(199)
Federal Telecommunications System (FTS)	...	(2,320)	...	(8)	...	...	0	(2,328)
Total, adjustments to base	0	65,637	4	273	(38)	(1,225,995)	(34)	(1,160,085)
1991 base	17,471	1,204,342	53	10,246	338	170,958	17,862	1,385,546
Program changes								
Staff and related expense	4,000	91,569	...	...	...	...	4,000	91,569
Construction	..	...	...	...	40	203,400	40	203,400
Grants	...	...	...	(239)	...	...	0	(239)
Other changes	883	76,428	...	...	...	...	883	76,428
A-76 reductions	(85)	(457)	...	...	...	...	(85)	(457)
Total, program changes	4,798	167,540	0	(239)	40	203,400	4,838	370,701
1991 estimate	22,269	1,371,882	53	10,007	378	374,358	22,700	1,756,247
Change 1991 from 1990	4,798	233,177	4	34	2	(1,022,595)	4,804	(789,384)

1/ Excludes a planned transfer of $109,000,000 from the Office of National Drug Control Policy Special Forfeiture Fund.

FEDERAL PRISON SYSTEM, SALARIES AND EXPENSES
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	15,240	$948,278
Department of Justice Appropriations Act, 1990		1,097,631
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding	____	54,923
1990 as enacted.	17,471	1,152,554
1990 Sequestration	...	-13,849
1990 appropriation anticipated	17,471	1,138,705
Mandatory increases (see p. 73).	...	94,884
Decreases:		
Activations.	...	-26,728
General Services Administration rent	...	-199
Federal Telecommunications System savings. . .	...	-2,320
1991 base.	17,471	1,204,342
Program changes (detailed below)	4,798	167,540
1991 estimate.	22,269	1,371,882

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. Inmate Care, Custody and Programs:						
Inmate care.................	2,506	$256,617	3,439	$305,767	933	$49,150
Institution security........	7,347	284,010	9,102	315,767	1,755	31,413
Unit management.............	2,317	107,602	2,829	127,452	512	19,850
Inmate programs.............	1,163	70,544	1,503	80,604	340	10,060
Subtotal..................	13,333	718,773	16,873	829,246	3,540	110,473
2. Institution Administration and Maintenance:						
Institution administration..	1,682	150,065	2,294	174,714	612	24,649
Staff training..............	173	16,203	357	21,437	184	5,234
Institution maintenance.....	1,370	162,624	1,688	184,310	318	21,686
Subtotal..................	3,225	328,892	4,339	380,461	1,114	51,569
3. Contract Confinement.........,	177	90,778	211	92,816	34	2,038

FEDERAL PRISON SYSTEM, SALARIES AND EXPENSES

Comparison by activity and program	1991 Base Perm Pos.	1991 Base Amount	1991 Estimate Perm Pos.	1991 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
4. Program Direction:						
Executive direction.........	409	$21,364	459	$22,735	50	$1,371
Administrative services.....	327	44,535	387	46,624	60	2,089
Subtotal..................	736	65,899	846	69,359	110	3,460
TOTAL.......................	17,471	1,204,342	22,269	1,371,882	4,798	167,540

Program Changes	Perm. Pos.	Amount
Activate New Facilities.	883	$49,578

This request provides an increase of 883 positions, 375 workyears and $49,578,000 distributed among FPS's inmate care and custody and institution maintenance and administration programs to activate facilities. This request will provide for the activation of several facilities including: 2 Federal Correctional Institutions in Minersville, PA (700 beds) and Manchester, KY (700 beds); 4 Federal Prison camps at Fairton, NJ (150 beds), Butner, NC (150 beds), Otisville, NY (150 beds), and Tallahasse, FL (150 beds); 1 camp expansion in Danbury, CT (150 beds); activation of 1 housing unit in Big Spring, TX (240 beds); one housing unit expansion in Loretto, PA (100 beds); activation of 1 housing and support facility in Tyndall, FL (225 beds); and the activation of 4 detention units located in Tallahasse, FL (150 beds), Fort Worth, TX (150 beds), Milan,, MI (150 beds), and Atlanta, GA (150 beds).

Program Changes	Perm. Pos.	Amount
Improve Staffing at Existing Institutions.	4,000	91,569

This request provides 4,000 positions, 2,000 workyears and $91,569,000 for staffing improvements at existing institutions for inmate care and custody, institution administration and maintenance, and program direction, as well as an increase to expand community programs' offices. This increase represents a conscious choice by this Administration to provide additional staffing to handle overcrowded facilities and establish a staff to inmate ratio of 1:3 by 1992.

FEDERAL PRISON SYSTEM, SALARIES AND EXPENSES

Program Changes	Perm. Pos.	Amount
Population Adjustment.	...	$25,462
This request provides an increase of $25,462,000 to finance adequate care and subsistence of a projected increase in the average daily population of 6,050. These resources will enable FPS to house an annual average daily population of 62,450 in 1991.		
Contract Confinement	...	1,000
This request provides a total increase of $1,000,000 for "electronic monitoring" (250 inmates), which enables FPS to reduce inmate base population and thus reduce overcrowding.		
Integrated Financial Management.	...	388
This request of $388,000 provides additional resources to support FPS's migration to the Department's Financial Management Information System. OMB Circular A-127 calls for each agency to consolidate and integrate their multiple accounting systems into a single Departmental system.		
Savings from Management and Productivity Improvements. . .	-85	-457
This decrease affects eight programs and represents anticipated savings from contracts with the private sector in furtherance of the Administration's A-76 initiative. Reductions are to the following programs: Inmate Care (12 positions and $64,000); Institution Security (37 positions and $199,000); Unit Management (12 positions and $64,000); Inmate programs (5 positions and $21,000); Institution Administration (9 positions and $50,000); Staff Training (2 positions and $13,000); Institution Maintenance (6 positions and $33,000); and Contract Confinement (2 positions and $13,000).		
Total program changes, Salaries and Expenses	4,798	167,540

NATIONAL INSTITUTE OF CORRECTIONS
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	41	$8,058
Department of Justice Appropriations Act, 1990	49	10,112
1990 Sequestration	...	-139
1990 appropriation anticipated	49	9,973
Adjustments to permanent positions	4	...
Mandatory increases (see p. 73)	...	281
Decrease for the Federal Telecommunications System	...	-8
1991 base.	53	10,246
Program changes.	...	-239
1991 estimate.	53	10,007

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. National Institute of Corrections.................	53	$10,246	53	$10,007	...	-$239

Program Changes	Perm. Pos.	Amount
National Institute of Corrections.	...	-$239

This reduction, to meet targeted budget deficit levels of the Administration, will result in "scaled-back" efforts in the areas of technical assistance, research and training functions.

FEDERAL PRISON SYSTEM, BUILDING AND FACILITIES
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	181	$210,792
Department of Justice Appropriations Act, 1990		401,332
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding	___	1,000,000
1990 as enacted.	376	1,401,332
1990 Sequestration	...	-4,379
1990 appropriation anticipated*.	376	1,396,953
Mandatory increases (see p. 73).	...	2,229
Decreases for positions and workyears associated with closed projects.	-38	-1,228,224
1991 base.	338	170,958
Program changes (detailed below)	40	203,400
1991 estimate.	378	374,358

---

*Excludes a planned transfer of $109,000,000 from the Office of National Drug Control Policy Special Forfeiture Fund.

Comparison by activity and program	1991 Base Perm Pos.	1991 Base Amount	1991 Estimate Perm Pos.	1991 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
1. New construction.............	228	$127,929	253	$290,729	25	$162,800
2. Modernization and repair......	110	43,029	125	83,629	15	40,600
TOTAL.........................	338	170,958	378	374,358	40	203,400

Program Changes	Perm. Pos.	Amount
New construction	25	$162,800

The requested program increases in this activity represent costs associated with the acquisition and construction of facilities in order to reduce

FEDERAL PRISON SYSTEM, BUILDING AND FACILITIES

Program Changes	Perm. Pos.	Amount
overcrowding and to provide a safe and humane environment for staff and inmates. This request includes increases of 25 positions, 20 workyears and $162,800,000 to provide funds for one 1,960-bed Federal prison complex located in the Northeastern region; seven detention facilities to be located in Sheridan, OR (150 beds), Leavenworth, KS (150 beds), Butner, NC (150 beds), Memphis, TN (150 beds), El Reno, TX (150 beds), Seagoville, TX (150 beds), and one detention facility in the Northeast (350 beds); the acquisition and conversion of active and closed military properties into minimum security facilities (1,700 beds); the increase in capacity at six existing institutions located in Big Springs, TX (150 beds), Raybrook, NY (150 beds), Bryan, TX (340 beds), Tyndall, FL (75 beds), El Paso, TX (150 beds) and Terre Haute, IN (100 beds); and a medical facility in Fortworth, TX (300 beds). Complete funding of the 1991 request would add 6,175 more beds including 1,250 for detention purposes. Current prison overcrowding coupled with projected increases in the Federal inmate population continues to be the major challenge facing the Federal Prison System. Today, Federal prisons are overcrowded by a system-wide average of 65 percent. It should be noted that if the FY 1995 population projection of 95,100 is accurate, and funding for the capacity expansion is limited to what has currently been appropriated, prison overcrowding would still be at a level of 45 percent in FY 1995.		
Modernization and repair	15	$40,600
The requested program increases in this activity represent costs associated with the replacement and/or rehabilitation of obsolete structures and plant facilities. This request includes increases of 15 positions, 15 workyears and $40,600,000 for renovations and improvements for seven projects and the improvement of water and sewage systems at three locations.		
Total program changes, Buildings and Facilities.	40	203,400

FEDERAL PRISON SYSTEM, FEDERAL PRISON INDUSTRIES, INC.
(Dollars in thousands)

	Perm.[1] Pos.	Amount
1989 obligations (revolving fund)	1,371	$308,151
1990 anticipated obligations	1,442	359,458
Mandatory increases	...	12,378
1991 base	1,442	371,836
Program changes (detailed below)	40	17,664
1991 estimate	1,482	389,500

Comparison by activity and program	1991 Base Perm Pos.	1991 Base Amount	1991 Estimate Perm Pos.	1991 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
1. Congressional limitation:						
Administrative expenses		$2,857	32	$3,167	...	$310
2. Industrial operations:						
Cost of production	1,410	316,173	1,450	321,686	40	5,513
Other expenses	...	31,787	...	33,868	...	2,081
Buildings and improvements	...	11,672	...	22,129	...	10,457
Machinery and equipment	...	9,347	...	8,650	...	-697
Subtotal	1,410	368,979	1,450	386,333	40	17,354
TOTAL	1,442	371,836	1,482	389,500	40	17,664

Program Changes	Perm. Pos.	Amount
Administrative Expenses	...	$310
This increases the administrative limitation for the Board of Directors by $310,000 in order to oversee the expansion of Federal Prison Industries.		
Industrial Operations	40	17,354
This increase of 40 positions, 25 workyears and $17,354,000 will provide employment for approximately 14,833 inmates, an increase of 965 inmates over the 1990 estimate. These resources will enable FPI to staff factories and business offices at the new Federal Correctional Institutions in Manchester, KY and Minersville, PA.		
Total program changes, Federal Prison Industries	40	17,664

---

[1] The Permanent Positions column reflects those positions funded from program revenues. They are not included in the Department's total positions.

OFFICE OF JUSTICE PROGRAMS, JUSTICE ASSISTANCE
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations	334	$315,808
Department of Justice Appropriations Act, 1990	352	309,976
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding	...	308,821
1990 as enacted	352	618,797
1990 Sequestration	...	-4,507
1990 appropriation anticipated	352	614,290
Mandatory increases (see p. 13)	...	1,402
Decreases:		
Nonrecurring costs for Emergency Assistance	...	-9,927
GSA rent	...	-193
Federal Telecommunications System savings	...	-68
Federal Employees Compensation Act	...	-3
1991 base	352	605,501
Program changes (detailed below)	-7	-17,986
1991 estimate	345	587,515

	1991 Base		1991 Estimate		Inc./Dec.	
Comparison by activity and program	Perm Pos.	Amount	Perm Pos.	Amount	Perm Pos.	Amount
1. Research, evaluation and demonstration programs	...	$22,766	...	$24,524	...	$1,758
2. Criminal justice statistical programs	...	21,140	...	23,051	...	1,911
3. Drug Control and System Improvement grant program	...	444,737	...	490,000	...	45,263
4. Juvenile Justice program	...	69,405	...	7,500	...	-61,905
5. Missing Children	...	3,971	...	7,971	...	4,000
6. Mariel Cubans	...	4,963	...	...	...	-4,963
7. Regional Information Sharing System	...	13,402	...	9,750	...	-3,652
8. Management and Administration	352	25,117	345	24,719	-7	-398
TOTAL	352	605,501	345	587,515	-7	-17,986

OFFICE OF JUSTICE PROGRAMS, JUSTICE ASSISTANCE

Program Changes	Perm. Pos.	Amount
Research, evaluation and demonstration programs.............	...	$1,758
This increase will enable the National Institute of Justice (NIJ) to continue the development of an effective less-than-lethal weapon (LLW) for use by law enforcement officers in the United States. Development of a LLW as an alternative to handguns is a project of national scope that offers the potential to save the lives of both police officers and civilians or suspects. Between 1977 and 1986, 872 law enforcement officers were killed during confrontations. In addition to the loss of life and human suffering, the direct and indirect costs to society of the police deaths alone were $500 million. Furthermore, since the United States Supreme Court ruling in Tennessee V. Garner (1985) limits the situations in which police officers may use deadly force against a fleeing suspect, development of a LLW could result in the apprehension of suspects who might otherwise escape because deadly force is not warranted, and be of immediate life-preserving assistance to law enforcement officers.		
Criminal justice statistical programs.......................	...	1,911
This increase will enable the Bureau of Justice Statistics (BJS) to (1) conduct the Quinquennial Survey of State Jail Inmates, the only national level data on State jail inmates and facilities ($1,100,000); (2) redesign the National Crime Survey to more fully measure the number of crimes of which Americans may be victims, including rapes, family violence and household crimes, with vandalism being measured for the first time ($476,000); and (3) expand the Federal integrated data base to permit the collection of more timely and comprehensive data on Federal cases, with particular emphasis on drug cases, from prosecution through adjudication, sentencing and corrections ($335,000).		
Drug Control and System Improvement Grant Program............	...	45,263
Virtually all of this funding increase will be allocated to the States under the formula grant program and will provide additional resources to enhance existing jurisdictional drug control efforts while simultaneously supporting national drug control policies and objectives. The additional funding will also enable State and local drug control agencies to consider new program initiatives for which 1990 funding was not available.		

OFFICE OF JUSTICE PROGRAMS, JUSTICE ASSISTANCE

Program Changes	Perm. Pos.	Amount
Juvenile Justice program	...	-61,905

The major thrust of this program is to attain deinstitutionalization of status offenders and the separation of juvenile and adult offenders at the State and local levels. Since 1975, over one billion dollars has been made available by the Federal Government and considerable progress has been made in achieving these objectives. Thirty-four States are in full compliance with separation requirements and another sixteen States and territories are making progress toward achieving compliance. Forty-eight of the States participating in the program have achieved full compliance with the statutory mandate to deinstitutionalize status offenders and non-offenders, and the number of violations of this statute has been reduced from 165,531 in 1979 to 9,693 in 1987 among participating States. The Administration believes that in the absence of Federal funding, States currently participating in the program will continue to commit their resources to programs that have proven successful. Accordingly, the 1991 request includes $7.5 million for a modified Juvenile Justice program that focuses on high-risk youth. The program addresses the problems of gangs and drugs and their relationship with the juvenile justice system. This program will require a 50-percent hard cash match by grant recipients.

Program Changes	Perm. Pos.	Amount
Missing Children program	...	$4,000

This increase is requested to enhance the efforts of State and local communities in responding to missing and exploited children issues. Activities that will be funded include developing and disseminating policies, procedures, and programmatic information related to search teams, investigations, crisis intervention activities, and reunification of youth with their families.

Program Changes	Perm. Pos.	Amount
Mariel Cubans	...	-4,963

In the current period of scarce Federal funds, this program is no longer of sufficient priority to command a share of the limited funds available. The Department of Justice must first use any available funds to meet its Federal justice responsibilities. A program reduction of $4,963,000 is requested for this program.

Program Changes	Perm. Pos.	Amount
Regional Information Sharing System	...	-3,652

This program is designed to aid State and local law enforcement agencies in the exchange of information. The reduction requested for 1991 will result in a Federal funding level of $9,750,000,

OFFICE OF JUSTICE PROGRAMS, JUSTICE ASSISTANCE

Program Changes	Perm. Pos.	Amount
but with a 25-percent hard cash match by participants, which the Administration is proposing, the total program level would be $13 million.		
Management and Administration................................	-7	-$398
The net reduction of 7 positions and $398,000 includes an increase of 2 positions to allow NIJ to administer the development of a less-than-lethal weapon and allow BJS to support expanded functioning of the Federal integrated data base. Also included is a decrease of nine positions and $450,000 associated with the termination of formula grant funding for the Juvenile Justice program and an increase of $52,000 for the migration to the Department's Financial Management Information System.		
Total program changes, Office of Justice Programs...........	-7	-17,986

OFFICE OF JUSTICE PROGRAMS, PUBLIC SAFETY OFFICERS BENEFITS
(Dollars in thousands)

	Perm. Pos.	Amount
1989 obligations..	...	22,668[1]
Department of Justice Appropriations Act, 1990............	...	25,000
1990 Sequestration....................................	...	-182
1990 Appropriation Anticipated............................	...	24,818
Mandatory increases (see p. 13).........................	...	1,257
1991 base..	...	26,075
Program changes (detailed below)........................	...	...
1991 estimate..	...	26,075

Comparison by activity and program	1991 Base Perm Pos.	1991 Base Amount	1991 Estimate Perm Pos.	1991 Estimate Amount	Inc./Dec. Perm Pos.	Inc./Dec. Amount
1. Public Safety Officers' Benefits Program............	...	$26,075	...	$26,075	...	...

---

[1] 1989 obligations are shown for comparison; actual obligations are included in Office of Justice Assistance totals.

OFFICE OF JUSTICE PROGRAMS, CRIME VICTIMS FUND
(Dollars in thousands)

Permanent Indefinite Special Fund

	Perm. Pos.	Amount
1989 obligations	...	$93,559
1990 budget authority	...	125,000
1990 Sequestration	...	-1,750
1990 Availability	...	123,250
Change in obligations	...	1,750
1991 estimate	...	125,000

Change in obligations	Perm. Pos.	Amount
Crime Victims Fund	...	...

The budget authority for 1990 is based on actual 1989 collections of $133,540,000, less $2,200,000 transferred to the Administrative Office of the United States Court, $6,340,000 transferred to the Treasury and $1,750,000 sequestered in accordance with P.L. 99-177 and P.L. 101-239. Collections are expected to exceed the cap of $125,000,000 in 1990 and 1991.

ATTORNEY GENERAL'S STATEMENT

Mr. **SMITH**. The Committee is pleased to welcome back the Attorney General, Dick Thornburgh.

Do you have a statement?

Attorney General **THORNBURGH**. I do, Mr. Chairman.

Mr. **SMITH**. How do you want to proceed?

Mr. **THORNBURGH**. I have a full statement, which I ask be accepted in the record and perhaps I can hit some of the high points rather quickly so we can move on to matters of concern to members of the Committee.

Mr. **SMITH**. All right, we will do that.

Mr. **THORNBURGH**. I am pleased, Mr. Chairman, to be here today to present the Department of Justice's 1991 budget request.

Before I begin, I would like to take this moment to reemphasize our gratitude for your efforts with respect to the extremely substantial boost given to the national law enforcement effort as reflected in the Department's current year budget.

We are putting to good use those additional resources. The record breaking increase in the number of prosecutors, the additional money for savings and loans investigations, greater support for our cooperative drug law enforcement effort with State and local governments, as well as other countries around the world, and the funds for prison construction to mention just a few.

We look forward to continuing to work closely with you, Mr. Chairman, and other members of the Committee in implementing this year's budget and in fashioning a budget for next year.

1991 REQUEST

Our proposal for 1991, as you might expect, is in line with the priorities I set forth last year. It is a blueprint for the new decade for effective law enforcement.

Last year, before the President submitted all of his budget amendments, I came here seeking support for a request for $7.1 billion. After the President's amendments, subsequent congressional actions, and sequestration, the total 1990 amount increased to $8.6 billion.

In 1991, the estimate approaches $9 billion. Note, however, that after subtracting separate funds for Japanese/American reparations, asset forfeiture, immigration programs, victims of crime, and the substantial cost of the independent counsels' offices, our appropriation request for operations actually totals just over $7.8 billion, still reflecting a healthy increase of $896 million or 13.7 percent when the 1990 figures are adjusted for the extraordinary $1.4 billion commitment for prison construction.

As a manager, my first priority is to keep overhead costs down so that more resources can be allocated to front line activities and this will be our rule in administering this budget.

As I noted, my full statement has been submitted for the record. It provides the nuts and bolts of the Department's budget justification and we will be pleased to respond to questions you may have about it.

This morning, however, I would try to briefly draw together the various strands of our budget items into some salient themes.

Because this Subcommittee has worked so closely with the Department over the years, you know better than most that in many ways the work of our Department is in defense of our national values, the strength of our Constitution and our legal system, as well as the sensitivity to the rapidly changing world in which we live. Amidst the despair, waste, and degradation caused by drugs and violence I do see rays of hope that our policies will ultimately prevail.

WAR ON DRUGS

I have said repeatedly that the war on drugs must ultimately be won on the battlefield of values. So I am heartened by recent surveys indicating that citizens are taking drug abuse and the violence and corruption that the drug culture engenders much more seriously.

Moreover, some surveys even indicate a decline in drug use among many segments of our population. The first national drug control strategy was released by the President last September and in the second such strategy, released in January, the President set forth goals that are, and I quote President Bush, "ambitious, but straightforward: to restore order and security to American neighborhoods, to dismantle drug trafficking organizations, to help people break the habit of drug abuse, and to prevent those who have never used drugs from starting."

In operational terms, this strategy requires a well-balanced criminal justice system, drug treatment programs, prevention activities in our schools, businesses, and communities, international efforts aimed at countries that produce and process drugs, and sound interdiction strategies, as well as strong research, intelligence, and statistical systems.

Recent international developments and domestic actions illustrate how our law enforcement strategy is taking shape. Through cooperative international law enforcement programs, the ratification by an increasing number of nations of the UN Drug Law Enforcement Convention, the valiant efforts by Colombian President Virgilio Barco against the Colombian drug barons, and the U.S. assistance program for the Andean nations, we have seen major steps forward.

The drug lords are under siege and they know it. President Bush's recent visit to the Drug Summit in Cartagena is a clear signal that the United States can actively assist other nations involved in the war on drugs.

MONEY LAUNDERING CRACKDOWN

A related initiative is a continuing crackdown on money laundering. The Department of Justice has frozen and seized hundreds of millions of dollars of drug related profits and we have not hesitated to prosecute foreign banks for their alleged involvement in international money laundering schemes.

Recent significant prosecutions include BCCI in the Operation C-Chase case and Banco de Occidente of Panama in Operation Polar Cap.

It is imperative that we choke off improper access by drug lords to the legitimate banking systems both domestically and abroad. I have personally engaged in discussions with governmental and banking leaders in Switzerland, Luxembourg, and most recently last week in Uruguay, all potential centers for money laundering operations.

DOMESTIC INTERDICTION

Domestic interdiction efforts also have had some spectacular successes. Twenty-one metric tons of cocaine seized in a Los Angeles warehouse, five metric tons of cocaine found hidden in shipping containers in New York, and nine tons seized in Texas, all of this the product of efforts in one 6 week period last fall. We must, however, continue our vigilance to halt the volume of drugs that keeps flowing in undetected.

FUNDING FOR THE DRUG WAR

The portion of the Department's resources devoted to the war on drugs is steadily increasing. For 1991, it accounts for approximately 45 percent of our requested budget. On the enforcement side, this includes not only the Drug Enforcement Administration, the Organized Crime Drug Enforcement Task Force activities, and the Asset Forfeiture program, all clearly identified with the war on drugs, but significant portions of the resources of numerous other components of the Department working together; the FBI, the Criminal and Tax Divisions of the Department of Justice, our United States Attorneys, the U.S. Marshals, the Immigration and Naturalization Service, and the Bureau of Prisons, among others. These components have specific interrelated tasks and their efforts are closely interwoven in international narcotics control, drug interdiction, and the gathering and dissemination of intelligence.

With respect to aiding State and local governments, we are seeking $490 million in State and local Narcotics Control and Justice Assistance Improvement Grants under the Anti-Drug Abuse Act of 1988. This amount is 6 times the entire budget request for the Office Justice Programs when President Bush took office.

As important as the Department's efforts are against drugs, they cannot overshadow the importance of law enforcement responsibilities in a variety of other areas.

VIOLENT CRIME

In this Administration, the Department has vigorously focused on reducing violent crime. The first civil right of every American is after all the right to be free from fear in our homes, on our streets, and in our communities.

Last May, the President submitted a violent crime initiative which sets forth his enforcement strategy. The Organized Crime Strike Forces have expanded their focus to include the interstate activities of street gangs and other non-traditional forms of organized crime and have been reinvigorated by consolidating their efforts with the United States Attorneys' offices in their areas.

We are also continuing our aggressive efforts to counter terrorist activities and vigorously pursue extradition of terrorists apprehended abroad.

We had to make some tough choices this year for the FBI's budget to accommodate the budget impact of the overtime legislation passed last fall without sacrificing the agent positions and workyears that we initially feared we would have to reduce to pay for these increased overtime costs. After a great deal of work, I think we have found a reasonable solution for the FBI and the two other major law enforcement components involved in absorbing the increased overtime expenses.

WHITE-COLLAR CRIME

In addition to combating crime in the streets, we must be as effective in combating white-collar crime, what I call "crime in the suites". Here it is essential to alter some of the values present in corporate boardrooms and the offices of Federal, State, and local government officials.

Last December, I announced a comprehensive attack on savings and loan fraud utilizing the $50 million in new appropriations provided by the Congress at the President's request. This effort will deploy more than 400 additional prosecutors, FBI agents, and accounting personnel to 27 cities across this Nation. In 1991, we are seeking additional substantial resources for the FBI in this area. The work of the Tax Division will be expanded and the Civil Division will be involved more heavily in bank fraud cases, and our Securities and Commodities Task Forces are now pursuing illegal activities in markets in 8 major cities.

The Department also is aggressively pursuing fraud and corruption by persons doing business with or employed by the Department of Housing and Urban Development. We are working to ferret out these cases, to prosecute criminal activities, and, where possible, to bring civil actions for restitution and damages. We cannot and will not allow programs intended to assist low and moderate income Americans to be exploited for illicit personal gain.

We are also devoting substantial additional resources to other white-collar crime areas, including public integrity investigations and defense contractor fraud. The FBI's budget calls for a total of 440 new positions to focus on all aspects of white-collar crime, particularly defense procurement fraud, bank fraud and embezzlement, fraud by wire, and abuse of the bankruptcy statutes.

Unfortunately, the crimes already committed in these areas will remain a substantial burden to the American taxpayer for years to come. The additional resources we are seeking will offer much needed reinforcements to our ability to deter and to punish those who would seek to defraud the American people. We must convey a clear message that enforcement will be swift and punishment will be sure for those businesses and public officials who abuse the trust placed in them. These cases are often extremely complex and require detailed investigation and coordination by many different law enforcement efforts.

The President and this Department have also made major strides in our enforcement efforts to protect the environment. Cases like the Exxon Valdez appropriately garner considerable public attention, but the challenges facing the Land and Natural Resource Division's environmental enforcement efforts, both criminal and civil, are never ending. We are redoubling our efforts to bring to justice the environmental profiteers who break our laws and foul our air, water, wetlands, and land for private gain. With the addition of 47 positions, this budget request represents a 65-percent increase over fiscal year 1989 budget authority and underscores our continuing commitment to protecting the environment.

The work of the Civil Rights Division is also expanding. Criminal civil rights enforcement actions against "skinheads" and other hate groups are yielding successes. In 1989, the Division prosecuted more than twice the number of racial violence cases than in any prior year. Last Thursday, 5 white supremacist "skinheads" were convicted in Dallas, Texas, of conspiring to violate the civil rights of Jewish, African American, and Hispanic citizens in Dallas, Texas. Similarly, since the Fair Housing Amendments Act of 1988 took effect last March, the Civil Rights Division has filed 21 cases in fiscal year 1989, another 21 lawsuits thus far in fiscal year 1990, for a total of 42 cases in less than a year. This total is more than twice the number of housing lawsuits brought during any previous fiscal year. Moreover, we are laying plans for vigorous enforcement of the Voting Rights Act in anticipation of the redistricting process in the aftermath of the 1990 census.

The Antitrust Division now benefits from a major funding change achieved during the 1990 budget cycle and I have approved the hiring of additional personnel in that Division. Pre-merger notification filings under the Hart-Scott-Rodino Antitrust Improvement Act now require a fee of $20,000, which is collected by the Federal Trade Commission and divided equally between the Commission and the Antitrust Division. One note of caution, however. Indications are that receipts may well fall short of the $20 million estimate and we are carefully monitoring what might be the effect of any such budget shortfall.

DEFENSE OF THE TREASURY

One of the frequently overlooked, but extremely important aspects of the Department of Justice's work is its role as defender of the Treasury, protecting the American taxpayers from a run on their tax dollars. For example, our Civil Division defended against over $21 billion in claims against the Treasury. Judgments totaled only $125 million, less than 1 percent of the amount demanded. The Tax Division's success in defeating deductions for trading in commodities futures straddles alone may have saved some $8 billion for the taxpayer. Conversely, the Civil Division won judgments on behalf of the Government which totaled in excess of one-half billion dollars.

Similarly, the Assets Forfeiture Fund uses the proceeds of illegal drug transactions, and recycles them to combat drug trafficking. In 1991, we estimate receipts of some $500 million. An estimated $128 million will be deposited to the Special Forfeiture Fund for use by the Director of the Office National Drug Control Policy, while many other millions of dollars will be equitably shared with State and local law enforcement agencies. We have also urged Congressional enactment of a debt collection act which would enable us to expand our efforts to track down those who owe money to the United States and, if necessary, to seize their assets. Protection of the taxpayers' funds, in short, is an important element of our aggressive litigation strategy.

We are also seeking additional funding to meld the disparate parts of the newly created office of Inspector General into an effective management tool to combat fraud, waste, and abuse which may exist within our own Department. This reflects a clear commitment to ensuring the highest ethical standards within our own operations.

PRISON NEEDS

With respect to all of the Department's criminal law enforcement efforts, a final key ingredient is the Federal Prison System. Last year when I appeared before this Subcommittee, there were approximately 46,800 prisoners in Federal institutions. Today, one year later, this number has grown to approximately 55,000 and the projection for 1991 is for 62,450 prisoners in 66 institutions. The Bureau of Prison's inmate population has increased by about 30,000 inmates or roughly 125 percent since 1981, an unprecedented rate of growth reflecting in part aggressive law enforcement efforts and expanded resources, thanks to the support of the Congress. It is interesting to note that 49 percent of current Federal inmates are drug offenders compared to 25 percent in 1981. Despite the infusion of the $1.4 billion in construction funds in 1990, we still expect to exceed our long range target of 30 percent overcrowding in 1995. New construction is essential if we are to handle this increasing prison population, but in 1991, we must rely on the increased utilization of already authorized facilities and we are at the same time evaluating alternatives for monitoring lower risk inmates.

CONCLUSION

This brief summary of the Department's work emphasizes our commitment to firm and aggressive enforcement of the law in all areas of our responsibilities, as well as our commitment to the fair and equitable administration of justice. These twin goals are essential to redeeming the promise of Government to provide equal treatment to its citizens and to protect their rights.

I am proud of the achievements of the Department of Justice in the last year and with the additional resources we seek today, I believe the Department will be able to expand upon these achievements. I look forward to working cooperatively with you, Mr. Chairman, and the members of this Committee and this Subcommittee in the coming budget negotiations and I will be happy to try to respond to your questions and concerns.

Thank you very much.

[The prepared statement of Attorney General Thornburgh follows:]

DEPARTMENT OF JUSTICE
STATEMENT OF THE ATTORNEY GENERAL
DICK THORNBURGH
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Committee:

Thank you for giving me this opportunity to present the Department's 1991 request and to express my sincere appreciation for your own tenacious efforts in support of objectives that closely coincided with the President's 1990 request.

Today, in addressing the Department's budget issues, let me try to draw together the various strands of the budget into salient themes. Because this Subcommittee has worked so closely with the Department over the years, you know, that in many ways the work of the Department is related to the defense of our national values, the strength of our Constitution and legal system, and to staying abreast of developments in the rapidly changing world in which we live.

I have said repeatedly that the war on drugs must ultimately be won on the battlefield of values. While we may not be able to change the values of most drug traffickers, we are beginning to make some progress in the schools and in the neighborhoods. Our communities are organizing to work together, and high school drug use is at its lowest level in years.

However, the battlefield of values is not limited to drugs. The ethical values and morality expressed in some of the nation's corporate board-rooms and the offices of Federal, State, and local government officials also require attention. Greed, corruption and abuse of the public trust threaten the vitality of whole cities and industries. Law enforcement is essential to combatting white collar crime, but it is only a part of the solution.

White collar crime takes many forms -- insider trading, fraud, public corruption, environmental offenses. Currently we are deeply involved in addressing financial institution and defense contractor fraud, HUD-related cases, public integrity matters, security and commodity trading practices, and environmental crime. Unfortunately, despite our best efforts the crimes already committed in these areas will be a substantial burden to the American taxpayer and the nation's economic well-being for years to come. The Department's budget request includes additional resources to address these problems, as well as the other areas discussed below.

DRUG ABUSE TRENDS

Drug abuse is the most serious problem facing the nation. In a Washington Post - ABC News poll last August, 44 percent ranked drugs as the country's most serious problem. Among the nation's blacks, almost 70 percent gave this answer. This attitude was shared by teenagers where 60 percent agreed. This may help explain why the national survey of drug abuse among high school seniors conducted by the Alcohol, Drug Abuse, and Mental Health Administration shows drug use at its lowest level since the survey began in 1975. There has been a steady downward trend in the experimentation and use of marijuana. The sharp rise in the perceived harmfulness of cocaine and crack, its highly addictive smokeable form, has also caused its use to decline. In fact, almost all measures of drug use in the high school survey have been downward. Similar trends are shown in college surveys. These results are encouraging because those who graduate from high school and college are the ones who become our leaders and establish patterns of acceptable behavior.

Although the trends for high school and college students are moving in the right direction, those who regularly use drugs remain a danger. Of continuing concern is the intensive drug use among those who drop out of school and the high proportion of those who are arrested that test positive for the use of one or more drugs. Here we face a more intractable problem that involves the use of law enforcement resources which I will discuss shortly in more detail.

The melding of diverse trends in the drug area may help explain the rather static situation in the overall criminal statistics area. If the data from the National Crime Survey of the victims of crime provides a good measure, there has been no significant change in the overall crime rate in the last three years. However, since 1980, the number of victims of violent crime, personal theft, and household crime have all fallen by more than 10 percent. Still, one fourth of all households reported violence or theft in 1988.

DEPARTMENT OF JUSTICE AUTHORIZATION ACT AND BUDGET REQUEST

This year the Department has again submitted a legislative proposal to Congress seeking the authorization of its various appropriations. As you know, the last authorization bill to be enacted for the Department of Justice was for the 1980 fiscal year. The authorities contained in that Act, however, have been continued by the Appropriations Committees in annual appropriations acts. The Appropriations Committees have also updated certain of these authorities, including the undercover authorities for the Federal Bureau of Investigation and the Drug Enforcement Administration. This year the President's budget specifically requests that these important undercover authorities be continued in the Department's appropriations act.

The Department's proposed authorization bills have, in the past, served two purposes. The first has been to assure the necessary authorization, as required by Section 204 of the Crime Control Act of 1976, for each of the Department's appropriations. The second has been to provide the financial management authority, such as undercover authority, that are needed for the day to day operation of the Department. This year, the Department will submit two separate bills to Congress to achieve these two purposes.

The Department's proposed appropriations authorization bill was submitted in late February. It requests the authorization of 19 Department appropriations in accordance with the funding levels requested in the President's budget. The second bill, which we intend to submit later this month, will request permanent codification of the various financial management authorities that the Department has been seeking for several years.

We believe that by separating our requests, we will facilitate the Congress' consideration of the important issues raised by each of these legislative initiatives.

The Department's budget request for 1991 continues the blueprint for federal law enforcement that was proposed in 1990. Last year, before the President submitted his last two budget amendments, I was here supporting a request for $7.1 billion. Following the transmittal of all of the President's amendments, Congressional action, and sequestration, the 1990 amount increased to $8.6 billion. In 1991, the estimate approaches $9 billion. All of these amounts, I might note, are far above the $6.7 billion in budget authority we had in 1989.

Fortunately, the Committees on Appropriations are not required to address the full $9 billion estimate. The Civil Liberties Public Education Fund, which was addressed last year in the 1990 appropriations, will pay out $500 million to persons of Japanese ancestry who were relocated in World War II. Another $272 million in permanent indefinite budget authority for the Asset Forfeiture Fund represents primarily the distribution of asset equity to innocent owners and equitable sharing with state and local law enforcement agencies. Three self-financing funds of the Immigration and Naturalization Service total another $238 million. In addition, the $125 million Crime Victims Fund is self-financed. After subtracting these items and the Independent Counsel estimate, requests requiring positive action by the Committees on Appropriations total $7.812 billion. This is $127 million less than the $7.939 billion provided in 1990.

Before any conclusions are reached about this being a no growth budget, I must emphasize that one simple adjustment converts a declining budget to one showing substantial growth. In 1990, the "Buildings and Facilities" account of the Federal Prison System received $1.397 billion in budget authority. In 1991, the request for this account is $374 million. By subtracting these amounts from the appropriation totals, the remaining appropriations grow from $6.542 billion to $7.438 billion, a healthy increase of $896 million or 13.7 percent.

NATIONAL DRUG CONTROL STRATEGY

On September 5, 1989 the President released the Administration's first National Drug Control Strategy as required by the Anti-Drug Abuse Act of 1988. In his transmittal letter, he said that "America's fight against epidemic illegal drug use cannot be won on any single front alone; it must be waged *everywhere* -- at every level of Federal, State, and local government and by every citizen in every community across the country." In January 1990, the second National Drug Control Strategy report was released. This report noted that the goals of the strategy are "ambitious but straight-forward: to restore order and security to American neighborhoods, to dismantle drug trafficking organizations, to help people break the habit of drug use, and to prevent those who have never used drugs from starting." The despair, waste and degradation seen on many fronts were balanced in part by what Bill Bennett has described as, " -- sometimes astonishing signs, often heartening signs -- of hope."

It is difficult to quantify why we have reason for hope. Efforts to publicize the drug problem have had a positive effect. Settling on a strategy that attacks both the demand for and supply of drugs is clearly a necessity. In operational terms this requires a well-balanced criminal justice system; drug treatment programs; prevention activities in our schools, businesses, and communities; international efforts aimed at countries that produce and process drugs; and sound interdiction strategies as well as strong research, intelligence and statistical systems.

Recent international developments and domestic enforcement actions illustrate how our strategy is taking shape. Cooperation between nations reached a summit in December 1988 when I went to Vienna to sign, on behalf of the United States, a United Nations Convention Against Illicit Narcotic Drugs and Psychotropic Substances -- a convention signed by more than 80 countries that has some real law enforcement teeth. The Senate ratified this Convention last November.

While the general level of cooperation among nations was improving, the grim battle between the Colombian government and the Medellin and Cali drug cartels reached a crisis. Between 1981 and the summer of 1989, almost 200 judges and seven members of the Colombian Supreme Court had been killed. Then, on August 18, Luis Carlos Galan, a leading presidential candidate, was assassinated. This event led President Virgilio Barco to announce open war on Colombian drug barons and to reach agreement with the United States on a list of Colombians who, if captured, would be extradited to the United States. In September, President Bush felt the drug issue was so critical that he made a prime time appeal to the American people. This address, linked with the first National Drug Control Strategy, announced a massive assistance program for the three Andean nations most deeply involved in the production and processing of cocaine -- Colombia, Bolivia and Peru. A major purge of Colombia's police was followed by the arrest of Jose Raphael Abello, the fourth ranking member of the Medellin cartel. The more violent demise of another Medellin kingpin, Jose Rodriguez Gacha, and the surrender of Panama's Manuel Noreiga require no explanation. The recent visit of President Bush to the Drug Summit in Cartegena, Colombia is America's clear signal that it will actively assist other nations involved in the war on drugs.

The drama of the Panama action and the Colombian drug war is unmatched anywhere in the world. Bolivia, a major cocaine producer, has used its troops to carry out crop and laboratory eradication programs. In mid-December, Bolivia deported a former

Interior Minister, Luis Arce Gomez, to Miami to face cocaine trafficking charges. In Mexico, a number of persons were sentenced for the murder of DEA agent Enrique Camarena. Peru, the major exporter of raw cocaine, struggles with the help of the United States merely to retain some Governmental presence in its vast Huallaga Valley. Meanwhile, there are large areas in Asia where opium is grown with impunity and readily converted into heroin for worldwide distribution. Finally, we in America find it hard to defend our failure to control domestic marijuana production, particularly when it is cultivated on public lands.

Money laundering, a business necessity for any major illegal drug operation, has suffered severe setbacks with the collapse of the Noreiga regime and a dramatic change in the banking practices of several European nations.

Despite the substantial tribulations of the cocaine cartels, the drugs keep flowing. Interdiction efforts force the traffickers into innovative and expensive cat and mouse games, but it must be devastating for at least some traffickers to lose 21 metric tons of cocaine in an unguarded Los Angeles warehouse. Later, firefighters in New York found another five metric tons hidden in shipping containers beneath a layer of highly toxic lye. Then in Texas, there was the seizure of another nine tons. This was all accomplished during a six week period in October and November 1989.

Although crack cocaine is the most serious drug abuse problem now facing us, we must be aware of other problems. Heroin, marijuana, methamphetamine and its smokeable derivative "ice" cause many serious health and crime problems. Ice, like cocaine, can often stimulate violent, psychotic behavior. At present, this product is largely confined to Hawaii, but the situation could change rapidly because ice is produced easily from domestic methamphetamine.

ROLE OF DEPARTMENT OF JUSTICE IN DRUG WAR

The portion of the Department's resources devoted to the war on drugs is steadily increasing. Out of our total appropriations request of $7.8 billion for 1991, on which the Subcommittee will act, approximately $3.5 billion, or about 45 percent is attributable to anti-drug abuse activities. This includes the full $700 million request for the Drug Enforcement Administration, the entire $330 million request for the recently consolidated Organized Crime Drug Enforcement activities, and all amounts associated with the Asset Forfeiture Fund. The Federal Prison System has the largest absolute portion for any component of the Department, an amount that exceeds $1 billion. The increased Anti-Drug Abuse grant programs account for almost all of the $526 million requested for the Office of Justice Programs. Substantial contributions are also being made by the Federal

Bureau of Investigation, the Immigration and Naturalization Service, the U.S. Attorneys, the Marshals Service, and by several components within the General Legal Activities appropriation.

Most components involved with the drug war have specific, interrelated tasks. Investigators from the Drug Enforcement Administration, the Federal Bureau of Investigation and other investigative agencies bring their cases to the U.S. Attorneys for prosecution. When an arrest is made, the person charged may be placed under the custody of the Marshals Service who must secure space in a local jail or some other detention facility. If a guilty plea is entered or a trial is conducted, a sentence is decided upon and confinement in Federal Prison System is likely. The elements of the Federal justice system described above are strongly interwoven with our efforts at international narcotics control, drug interdiction, and the gathering and dissemination of intelligence. The Department also participates in a variety of demand reduction activities. The drug related research, development, evaluation and assistance efforts of the Office of Justice Programs differ somewhat from other Federal law enforcement programs, but are carefully coordinated to address the needs of the criminal justice system. The Anti-Drug Abuse grant program assists law enforcement operational efforts by promoting street level techniques that have proven effective.

I will summarize some of the Department's 1991 initiatives related to drug control by component.

DRUG ENFORCEMENT ADMINISTRATION

For 1991, the Drug Enforcement Administration is requesting an appropriation of $700 million, an increase of $151.3 million over the amount made available in 1990. This will provide more agents and support personnel to support both domestic and foreign operations.

The largest portion of the increase, 413 positions and $38.7 million will be directed at enhancing domestic enforcement and efforts in 15 major drug importation and distribution centers. Fully funding the Special Enforcement Operations Program established in 1990 to target and immobilize major trafficking organizations will require an additional 37 positions and $3.7 million. An additional 22 positions and $4.9 million will be provided to the Foreign Cooperative Investigations Program to expand 13 existing oversees offices and open a new office in Argentina. Another $10 million will go to assist State and local governments in marijuana eradication activities. Also, 45 positions and $8.8 million will be provided for nine State and Local Task Forces.

As these front-line activities expand, there is a critical need to provide adequate support for them. Clearly, training, intelligence specialists, and laboratory services are needed to support the increased number of agents. Those who have visited the El Paso Intelligence Center have been impressed with its efficiency, but this effort must be complemented by more direct operational support from intelligence specialists operating out of DEA's many field offices. Increased funding for radios, research, aircraft purchase and maintenance, and the relocation of DEA's airwing facility are important if we are to adequately support an ever more sophisticated war on drugs. Finally, resources to implement the Chemical Diversion and Trafficking Act of 1988 are essential if we are to keep drugs of therapeutic value in legitimate channels.

The budget justifications address these requests in more detail but the efficiency of the Drug Enforcement Administration is as much dictated by the balance between programs as by absolute funding levels.

ORGANIZED CRIME DRUG ENFORCEMENT

One of the most successful efforts of the Government in fighting the war on drugs is found in the work of the Organized Crime Drug Enforcement Task Forces. Although Title I of the Anti-Drug Abuse Act of 1988 dictated that the Task Forces should be funded from a single appropriation, the Task Forces themselves date back to October 14, 1982, when President Reagan came to the Great Hall of the Department of Justice to announce his initiative to draw on the diverse skills of many agencies that dealt with the growing involvement of organized crime in illegal drug activities. The proposal received a hearty endorsement from the Senate and the Congress provided a single appropriation to support the Task Forces in both 1983 and 1984. Beginning in 1985, the Task Forces were funded by direct agency appropriations.

Each of the current 13 Task Force regions is headed by a U.S. Attorney who may draw on the skills of the Drug Enforcement Administration, the Federal Bureau of Investigation, the Immigration and Naturalization Service, the Marshals Service, the Internal Revenue Service, the Customs Service, the Bureau of Alcohol, Tobacco, and Firearms, the Coast Guard, and the Criminal and Tax Divisions of the Department of Justice.

With the additional $115 million requested in 1991, the Task Forces will undertake additional undercover operations, apply more agents to track aliens involved in drug trafficking, provide additional personnel to work on money laundering and financial crimes linked to drug trafficking, expand firearms investigations, provide more officers to capture narcotic fugitives, and bolster the number of attorneys prosecuting cases.

I would like to emphasize that cases must pass detailed scrutiny by all of the participating agencies before they are designated as Task Force cases. By their nature, the activities being investigated are long-term, high-level, complex, and require multiple investigative skills. The increase requested is linked with the designation of more and more cases.

ASSET FORFEITURE FUND

A key account linked to the national drug control effort is the Asset Forfeiture Fund. The idea of using the proceeds of illegal drug transactions to combat drug trafficking goes back a number of years, but implementation of a system to effectively accomplish this goal has been difficult. Our established program is popular and increasingly effective, as we continue to improve its management and operations.

In 1991, we estimate receipts of $500 million. Payments from the Fund are estimated at $372 million, of which $100 million would involve program-related expenses under the control of the Committees on Appropriations. At the present time we estimate that $128 million will be deposited to the Special Forfeiture Fund for use by the Director of the Office of National Drug Control Policy.

FEDERAL BUREAU OF INVESTIGATION

The budget request for the Federal Bureau of Investigation totals $1.64 billion in 1991, an increase of $141 million over the amount available in 1990.

Before proceeding to discuss the major items in the budget request, I must take a moment to discuss a problem that held up the delivery of our budget documentation. As you know, both houses of Congress passed a bill on November 13, 1989 changing the basis for paying administratively uncontrollable overtime. The President signed this bill, which became Public Law 101-173, on November 27, 1989. This cost, of course, had not figured in our original budget request for 1991, but since it became law we had to make the necessary adjustments. In all our law enforcement components, there are substantial increases in overtime costs, but the largest cost occurs in the FBI because it has the most agents and a larger proportion of its employees in the higher grades where the cost increases were greater. Without an increase in our total allowance, the cost had to be absorbed somewhere. After the President released his budget, we concluded that 559 FBI agent positions and workyears simply could not be sacrificed to pay for these increased overtime costs. Some other solution had to be found. It took a while to work this out, but I think we have found a reasonable solution for the FBI and the two other major law enforcement components involved.

The budget justifications you have received avoid the sharp agent reductions announced in our January 29, 1990 Press Release.

The modified budget request focuses new resources for the same initiatives previously addressed. Instead of filling new positions midway through the fiscal year they would tend to be filled only in the last quarter. In the war against drugs, an additional 333 positions and $19 million will be used to enhance field investigations and provide the associated investigative support, undercover operations and make informant payments. For ferreting out the growing threat of Asian organized crime an additional 172 positions and $4 million is needed. Other high priority field investigative activities would receive 205 additional positions and equipment for an additional $35.5 million. The largest single increase focuses on white-collar crime where 440 positions and $12.4 million will be used to augment the current program. The additional resources will be applied against defense procurement fraud, bank fraud and embezzlement, fraud by wire, and abuse of the bankruptcy statutes. Smaller, but still significant increases are proposed for training, forensic services, computer support, technical field support and equipment, and records management. Many of the new initiatives will be funded by offsetting reductions in a variety of other functions and by resources freed-up from non-recurring, one-time expenses.

IMMIGRATION AND NATURALIZATION SERVICE

For the Immigration and Naturalization Service, the 1991 "Salaries and expenses" budget of $884 million is $42 million higher than the $842 million provided in 1990.

Enhancements for the Border Patrol total 200 positions and $16.3 million. Conversion of temporary immigration inspector positions to permanent positions increases the number of permanent positions by 104 at a cost of $1.3 million.

Construction proposals totalling $17.2 million will permit the expansion and security upgrading of the Krome, Florida Processing Center, allow construction to begin on a large border checkpoint at San Clemente, California, fully fund two new border patrol stations on the Southern border and add two additional checkpoints at Marathon and Alpine, Texas.

An increase of $8.4 million is needed to purchase additional vehicles.

These increases are largely offset by decreases in personnel and the transfer of $13.1 million in data processing and communication costs from appropriated funds to the Immigration Examinations Fee account where they more properly belong.

LEGAL ACTIVITIES

The litigation and other legal work in the Department is conducted by the staff supported from three salaries and expenses appropriations -- U.S. Attorneys, General Legal Activities and the Antitrust Division. The Fees and Expenses of Witnesses appropriation provides the resources necessary to pay expenses for witnesses who appear on behalf of the Government.

U.S. ATTORNEYS

The U.S. Attorneys are the front line of our legal arsenal. In each of the 94 judicial districts they prosecute criminal offenses, represent the Government in civil actions, and initiate proceedings to collect fines, penalties, and forfeitures. Combatting financial institution fraud became a prime issue in 1990, but, in terms of overall impact, it was the President's June 27, 1989 amendments to combat violent crime that really lifted the horizons for the U.S. Attorneys. These amendments included a request for 1,600 positions and 800 workyears. In 1991, the budget request focuses on funding most of the newly authorized positions for the full year. The 1991 request of $628 million includes $72 million for this purpose. In addition, the budget request includes the transfer of 186 positions and $13.6 million from the Criminal Division to the U.S. Attorneys, a change associated with the Organized Crime Strike Forces. The remainder of the net increase of $109 million requested for the U.S. Attorneys is accounted for by mandatory increases and other cost adjustments.

GENERAL LEGAL ACTIVITIES

The various legal divisions and other components funded from the General Legal Activities appropriation were provided 3,570 positions and $295 million in 1990. After the transfer out of 186 positions and $13.6 million from the Criminal Division and other base change adjustments, the continuation of the 1990 program into 1991 would require 3,342 positions and $310.1 million. The request for 1991, however, includes a number of new initiatives that bring our requirements up to 3,538 positions and $338.5 million.

Last year, you may remember, the Department undertook a major initiative to uncover financial institutions fraud. Fifty additional positions were requested for the Criminal and Tax Divisions to initiate financial institution fraud cases. Including the work of the United States Attorneys and the Federal Bureau of Investigation, we applied almost $50 million to this program. In 1991, the work of the Tax Division will be expanded and the Civil Division will be involved more heavily in financial institution fraud cases. The Civil Division pursues cases to uphold the new regulatory structure for financial institutions and secure the Government's assets in bank failures, requiring the infusion of 60 positions and $1.3 million for automated litigation support.

The demand for a better environment and the mandate to enforce new statutes results for in a request of $9 million more for the Land and Natural Resources Division. This includes 47 positions and $2.3 million to address the increasingly complex nature of environmental litigation as well as an increase of $4.3 million for the Division's automated litigation support activities.

The work of the Civil Rights Division is also expanding. Last year we wrestled with establishing an Office of Redress Administration so that the Department could make payments to 60,000 or more persons of Japanese ancestry interned during World War II. In the 1991 budget, the focus of the Division shifts more toward the enforcement of voting laws and the implementation of the Fair Housing Act Amendments of 1988.

We also believe that the chronically overworked Civil Division needs more resources to handle appeals from the newly established Court of Veterans' Appeals, recover Medicare overpayments, and litigate cases of national importance in such areas as entitlements, the population census, and drug testing.

Additional funds are included in the budget for office automation and automated litigation support. These continuing initiatives will enable the Department to more effectively compete with law firms hired to challenge Government interests.

ANTITRUST DIVISION

During the 1990 budget cycle, a major change was made in the way the Antitrust Division is financed. Instead of relying on appropriated funds, the Division will receive up to $20 million in receipts generated by a new provision in the 1990 appropriations act that sets a fee of $20,000 to accompany each premerger notification filing required by the Hart-Scott-Rodino Antitrust Improvement Act of 1976. Fees are now being collected by the Federal Trade Commission and divided equally between the Commission and the Antitrust Division. Current trends in the collection of the fee suggest that filing are falling below anticipated levels. We are monitoring this situation closely to address any possible shortfall. If the increase of $1.9 million in appropriated funding is approved and receipts do not fall short of the estimate, we believe the total resources for the Division in 1991 would exceed $53.7 million.

The 1991 request also includes proposed legislation that would have the Antitrust Division assume certain responsibilities now entrusted to the Interstate Commerce Commission relating to rail mergers. The cost of this function is almost $1.4 million.

FEES AND EXPENSES OF WITNESSES

Fees and expenses are paid to witnesses who appear on behalf of the Government in cases in which the United States is a party. The costs incurred by this appropriation are driven principally by the cost of paying expert and fact witnesses and the number of witnesses admitted to the Government's witness protection program. This appropriation also pays for mental competency examinations, private counsel to represent Government employees sued for actions taken while performing their official duties, and the compensation of victims for crimes committed by protected witnesses.

In 1991, the request for this appropriation is $70.6 million, an increase of $14.6 million over the 1990 adjusted appropriation. The bulk of the increase, $10.9 million, is to allow the Department's growing litigation staff to compete with well-funded opposing counsel for expert witness services. The increased cost of providing subsistence, housing, and medical services to protected witnesses is estimated at $3.3 million. The remainder of the increase is for private counsel.

U.S. TRUSTEES SYSTEM FUND

The Bankruptcy Judges, U.S. Trustees, and Family Farmer Bankruptcy Act of 1986 provided for the nationwide expansion of a pilot program to administer bankruptcy cases that first became operational in 1980. Beginning in 1988, the program became totally self-financing, but under the enabling legislation all expenses of the Fund are charged to the allocation of the Committees on Appropriations.

The 1991 request of $65.7 million provides for 929 positions. The requested increase of $5.6 million over 1990 includes a program increase of $1 million which will provide more vigorous audit coverage of private trustees by contractors. The remainder of the increase is for mandatory adjustments.

UNITED STATES MARSHALS SERVICE

Like many other components of the Department, the increases requested for the Marshals Service in 1991 are heavily driven by the war on drugs. The entire Assets Forfeiture Fund and the cost of managing forfeited assets is linked with the drug problem. For the Salaries and Expenses and the Support of U.S. Prisoners appropriations it can be argued that no increases would be necessary if we felt that drug offenders were not dangerous and could be relied on to return for trial if released on bail. The wisdom of the Administration, the Judiciary, and the Congress tells us that drug traffickers and many drug users flaunt not only our general system of values but the legal system as well.

As a result, the $288.5 million requested for the Salaries and Expenses appropriation is 21.3 percent higher in 1991 than in 1990. Potential violence requires the Administration to request an additional 99 positions and $15.8 million to protect the courts, provide the staff necessary to manage an increase in the number of protected witnesses, and guarantee prisoner security in courthouses. An additional 55 positions and $13.3 million is needed to transport more prisoners to progressively remote detention facilities. Managing the growing stock of seized assets requires another 134 positions and $6.2 million. The other big expense is linking the whole system together with the necessary automatic data processing and communications, an expense that will increase by 23 positions and $6.2 million. There are other changes but these are the main thrust of the 1991 request.

SUPPORT OF UNITED STATES PRISONERS

One of the Department's most rapidly growing accounts is Support of United States Prisoners. For 1991, the request is $193 million, $34.6 million, or 21.8 percent over the 1990 funding level and a 75 percent increase over the 1989 level. The request includes $178 million for the Marshals Service to contract with State and local jails to detain Federal prisoners before and during their trials. The remaining $15 million will be used to expand or renovate detention facilities in exchange for guaranteed jail space for Federal prisoners at jails located near Federal courthouses. There appears to be no end in sight to the competing need for jail space by Federal, State, and local jurisdictions.

FEDERAL PRISON SYSTEM

The size of the Federal Prison System is dictated mainly by the number of prisoners. Last year, when I was before this Subcommittee there were about 46,800 prisoners in Federal institutions. Today, there are over 55,000. The projection for 1991 is 62,450 prisoners in 66 institutions. In addition, approximately 7,100 sentenced prisoners will be housed in contract facilities, principally Community Treatment Centers. Despite the infusion of about $1.5 billion in construction funds in 1990, we will still need substantial resources over the next several years to bring overcrowding to manageable levels.

Not too many years ago, I understand that it would have been fairly easy to enumerate new prison projects, report on the status of previously approved projects, and briefly describe when new facilities would be opened. Today, I must settle for telling you that we are requesting approximately $374 million to construct and modernize prison facilities. The plan includes one major, new 1,960 bed prison complex that incorporates a maximum security prison, a minimum security prison, and a prison camp in the Northeast Region. Another 1,700 beds would be obtained by the acquisition and conversion of surplus military facilities. Construction of seven detention facilities and the expansion of six existing facilities, together with the other projects described above, would provide an additional 6,175 beds. Within the Buildings and Facilities request, major renovations and repairs would be made to existing institutions.

New construction is essential to handle the increasing prison population, but in 1991 we must rely on the increased utilization of already authorized facilities. For immediate needs we must look to what we can do with our Salaries and Expenses appropriation. Here we seek 22,269 positions and $1.372 billion, an increase of 4,798 positions and $233 million. A large portion of the dollar increase is associated with mandatory cost adjustments, but significant new resources are planned in other areas. To expand staffing at existing, overcrowded institutions, an additional $91.6 million is needed to fill 4,000 new positions. The next major increase relates to activating new facilities. With $49.6 million and 883 positions, we plan to provide 3,315 additional beds at a large number of institutions. Providing food, medical supplies, clothing and other prisoner care services to an average daily population projected to increase from 56,400 inmates to 62,450 inmates in 1991 will cost another $25.5 million. Other changes relate to initiating electronic monitoring for low-risk inmates, financial management, and management productivity improvements.

OFFICE OF JUSTICE PROGRAMS

Today, as many State and local governments are overwhelmed with drug activity, the National Drug Control Strategy has responded by proposing the infusion of Federal funding. When President Bush took office, the 1990 budget request for the Office of Justice Programs stood at $96.3 million. During the 1990 budget cycle, both the Administration and the Congress pushed for significantly higher funding levels. The budget request you have before you for 1991 stands at $613.6 million, more than six times the initial 1990 request. Nearly 80 percent of this, or $490 million, is for the State and Local Narcotics

Control and Justice Assistance Improvement grants authorized by the Anti-Drug Abuse Act of 1988.

Although the Anti-Drug Abuse program dominates the requested funding, the Administration continues to provide steadfast support for law enforcement research and statistical programs. In 1991, the National Institute of Justice is requesting $24.5 million including a program increase of $1.8 million to develop an effective less than lethal weapon. The Bureau of Justice Statistics request is for $23 million including program increases totalling over $1.9 million, the latter amount including the census of jail inmates.

The $8 million request for the Missing Children program doubles the amount provided in 1990. This increase is designed to allow State and local governments to enhance their response capability.

One segment of the Juvenile Justice program merits special support. Formula grants would be eliminated but $7.5 million would be designated to support the High Risk Youth program that addresses problems of gangs and drugs as they interact with the nation's juvenile justice system. Grantees would have to provide a 50 percent hard cash match.

The request also includes $9,750,000 in Federal funds to support the Regional Information Sharing System. The intent of the request is to maintain the program at the $13 million level on the condition that the Federal share in these projects not exceed 75 percent. Although the seven involved projects provide for the useful exchange of information, the beneficiaries are primarily State and local law enforcement agencies.

The Public Safety Officers' Benefits program achieved the status of independent appropriation funding in 1990. The $26.1 million request is slightly higher than the amount available in 1990 because benefits are linked to the Consumer Price Index.

GENERAL ADMINISTRATION

The $101 million request for the General Administration appropriation is only slightly above the $96.5 million provided in 1990. Mandatory increases of $7.3 million exceed the net increase of $4.6 million because of rather large savings in several areas.

As I announced last year, I intend to keep overhead costs down so that more resources can be allocated to front line activities. Bureaucratic layering has been reduced and I intend to continue to look for savings in the same way I did when I was Governor of Pennsylvania.

A few program increases, however, are necessary. Five positions and $580,000 in new resources are needed primarily to strengthen our ethics and equal employment opportunity efforts.

Finally, resources are required to consolidate the Department's major Washington area offices and to produce architectural and engineering plans to renovate the Main Justice and the Home Owners Loan Buildings. The consolidation program, which is designated as Facilities Program 2000, will be accomplished over a 10-year period. Planning for the renovation work is at an advanced stage. The 1991 funding request is for $970,000.

Before closing the discussion on General Administration, I would like to remind you of a supplemental request to extend until the end of 1992 our program to use private contractors to collect debts owed the Government.

INSPECTOR GENERAL

Last year we asked for our first appropriation for the Office of Inspector General, which was established by the Inspector General Act Amendments of 1988. In October 1989, the Office transmitted its first Semiannual Report to the Congress.

During the time following its establishment on April 14, 1989, until the end of 1989, the Office relied on funds transferred from other appropriations. In 1990, it will have available $20.5 million in funds from its own appropriation and almost $2.4 million in reimbursements.

Bringing together some rather diverse functions from the Department's central Audit Staff, the Immigration and Naturalization Service, the Marshals Service, the Drug Enforcement Administration, and the Federal Prison System was not easy because the missions of the various components were very different and therefore difficult to integrate into a single organization working in 14 metropolitan areas. Inadequate funding to maintain existing functions required us to approach the Congress for the transfer of additional resources just to survive 1990.

As the first Inspector General assumes his duties, he will find a viable organization with four functional elements -- audit, investigations, inspections, and management and planning. He should be able to function well with a requested budget for 1991 of $28.4 million, an increase of 84 positions and $7.8 million over the resources provided in 1990.

Although the new Inspector General must determine his own priorities, the budget includes 50 positions for investigations, 20 positions for audit, and 14 positions for management and administration.

CONCLUSION

Except for the Community Relations Service and the National Institute of Corrections, both of which have small decreases proposed for 1991, I believe I have covered all the Department's activities that require the attention of the Committees on the Judiciary and Appropriations. Again, I would like to thank everyone who helped to deliver the Administration's 1990 appropriation request and I look forward to 1991 as a year in which the administration of justice will continue to rank as a high priority for the 101st Congress.

COMMUNICATION INDUSTRY'S ANTI-DRUG EFFORT

Mr. **Smith**. Well, thank you, Mr. Attorney General. We are glad to have you back and to have your views of the Department's activities and your anticipations for the coming year.

We have a number of questions, but before we start, Mr. Regula wanted to introduce somebody.

Mr. **Regula**. Thank you, Mr. Chairman.

Mr. Attorney General, you just met earlier two members of the audience that are part of the Ohio Broadcasters Group that are in town and I wanted to tell you what that association has done.

Last night, in the State of Ohio, the television and radio industry gave 2 hours or more of prime time to the whole drug issue as part of an education program so that the State in effect was blanketed with programs on the importance of drug education, the problems that it creates for families, and so on, and the industry produced these for television and radio broadcast in the State.

I think it was a tremendous program effort. They showed our Ohio delegation some of the work they had done at the dinner last night and it was quite impressive.

So I wanted to pass that on since you mentioned here the efforts that were being made in terms of education and I hope that other States will pick up on what has happened in Ohio.

Thank you, Mr. Chairman.

MISCONCEPTIONS IN THE DRUG WAR

Mr. **Smith**. Well, that fits in well with something that I wanted to say at the beginning. There are two unfortunate misconceptions with regard to the war on drugs. One is that people have established a goal of winning the war on drugs. We do not win wars, no war, what you do is reduce the losses that you would have had had you not fought the war. Their goal is to win the war in 5 years or 10 years. It is not going to be completely won, but the important thing is would it have been worse not to have fought the war.

The other misconception is, and it fits right in with what Mr. Regula just brought up, there is a tendency to want to measure what we are doing in the different fields, education, rehabilitation, law enforcement, and so forth, by the number of dollars being spent in that particular segment. I am convinced that the principal source of education in this war on drugs is going to have to be through communications and we cannot reach a broad segment of our population any other way. The cost is relatively cheap, but for every one that does not become a casual user, or perhaps an addict later. For everyone of them that does not have to be prosecuted we might save a half a million dollars in the enforcement area. It is terribly important, but we cannot measure the relative importance of prosecutions and incarceration and the rehabilitation after they are in prison, the parole system and so forth by the numbers that are spent. It just costs a lot more money.

NEW PROGRAMS VS. ANNUALIZATION IN BUDGET

That gets us down to your budget. It does seem like a lot of money. It is a lot of money that we are spending, but everything is relative. It costs a lot of money to prosecute someone and handle them after they have been convicted.

The budget that you have presented to us is big compared to 2 years ago. It is up over what it was last year, but the increase is necessary to annualize the program that was begun last year and that is very considerable. Some of these people that we put on last year in DEA, FBI, and other agencies will only have worked in fiscal year 1990 maybe a month, 2 months, 3 months. Next year they have to have the full year. You have to annualize it.

What I am really getting at is how much of your increase was for annualization of that budget to maintain the same program level? And then, how much are you requesting in program growth?

As I have analyzed it, most of the increase you have asked for, that was approved by OMB, was really for annualization of the program that we are putting into effect in 1990.

Mr. THORNBURGH. I think there are several distorting factors in any budget presentation and I might mention a couple of those prior to specifically dealing with your question, Mr. Chairman.

One of those, of course, is the fact that in the Federal budget there is no separate capital account. Therefore, the $1.4 billion contained in last year's budget for new prison construction is treated precisely the same for accounting purposes as the dollars paid in salaries and benefits to agents and prosecutors. So that is the first corrective factor in looking at the differential between the current year's budget and the budget that is proposed for next year.

Second, as you point out, there is an increment always of dealing with the baseline budget needs that were brought on stream last year, in many cases, as you have also pointed out, for substantially less than the full year. And obviously having an agent or a prosecutor on board for 1 month is going to cost substantially less than for the total year, the 12-month period.

The third factor is in the reference I made to the administratively uncontrollable overtime amendments that were passed last year, which have to be absorbed within this year's budget in the FBI, DEA, and INS. That amounts, in the aggregate, to a fairly substantial figure.

And the fourth, of course, is the need to absorb the sequester that occurred last year to make up for that and to take into the account the pay increases.

But with all that said and done, I think it is important to note that in the areas about which we have major concern there have been actual increases—in the number of agents in the FBI, agents in the Drug Enforcement Administration, the Border Patrol, in the Bureau of Prisons, and perhaps of singular importance, in the number of prosecutors that our United States Attorneys will have available to handle not only an increased flow of cases, but a greater sophistication in the cases involved.

I came here in, as you will recall, August of 1988, to assume the Office of Attorney General. From that time until today, we have had an increase of 50 percent in the number of Federal prosecutors available to handle cases in the high priority areas which the President has identified. That has been supplemented by proportionate increases in slightly varying proportions in our investigative talent and, of course, with the vast increase authorized in this year's budget for the prison construction.

Mr. SMITH. Well, there has been in the request an increase in the number of FBI agents and DEA agents, for example, dedicated to drugs, but my analysis of the budget is that while you have asked for 95 additional agents for drugs, it took 70 away from your other FBI activities.

Mr. THORNBURGH. That is right.

Mr. SMITH. So we are talking more about drugs, but you cannot take those 70 away. They have important responsibilities in this whole crime situation.

REQUEST TO OMB

So my next question is, what did you ask of OMB? Where were these cuts made?

Mr. THORNBURGH. Well, the cuts really resulted from the AUO requirements and the sequester requirements that the Office of Management and Budget did not single out the Department of Justice for in treatment, but which had to be absorbed.

Mr. SMITH. But what was your total dollar request to OMB?

Mr. THORNBURGH. The reason I cannot give you a quick answer is that is history.

Mr. SMITH. Somebody there can help you.

Mr. THORNBURGH. The Department request to OMB totaled $9,022,168,000.

Let me put it this way, Mr. Chairman, when we first tried to fit the OMB figures into our needs, one of the scenarios we looked at would have called for some fairly substantial reductions in priority areas, in the FBI in particular because they bore the brunt of the AUO costs.

I found that unacceptable and directed the people working on our budget to cooperate with the FBI to come up with alternatives as a management initiative, with the stricture that we had to operate to ensure that the President's priorities were honored by the maximum amount of increases in the area of drugs, white collar crime, and organized crime.

Mr. SMITH. I understand that.

Mr THORNBURGH. And that is what is presented to you today. There had been some options talked about that would call for a decrease in those agents and I simply would not countenance that.

Mr. SMITH. Well, I understand. I mean the Department makes their request to OMB and OMB considers that and the requests of all the departments, and they tell you that you have got to get along with less money. When the Committee makes our 302(b) budget allocation we need to know what things were cut out because we might do some shifting between departments and agencies.

Mr. THORNBURGH. I think we have helped you out by shifting out own resources into the areas that we have, I think, mutually identified as our priorities.

[The following information was submitted for the record:]

DEPARTMENT OF JUSTICE
1991 APPROPRIATION HISTORY
(DOLLARS IN THOUSANDS)

02-May-90
11:37 AM
BU91HIST

APPROPRIATION	1990 ENACTED LESS SEQUESTER			1991 ORGANIZATION REQUEST TO THE DEPARTMENT			1991 INITIAL DEPARTMENT REQUEST TO OMB /1			1991 REQUEST TO CONGRESS		
	POS.	FTE	AMOUNT	POS.	FTE	AMOUNT	POS.	FTE	AMOUNT	POS.	FTE	AMOUNT
GENERAL ADMINISTRATION:												
DEPARTMENT LEADERSHIP	56	58	6,238	50	52	5,467	46	48	6,054	46	48	5,878
EXECUTIVE SUPPORT	67	101	7,274	73	107	8,171	77	111	8,602	77	111	7,959
OFFICE OF INTELLIGENCE POLICY & PROFESSIONAL RESPONSIBILITY	22	22	2,194	42	42	3,622	22	22	2,470	22	22	2,349
JUSTICE MANAGEMENT DIVISION	422	451	43,922	427	459	49,040	427	464	49,631	418	458	45,536
ADMINISTRATIVE REVIEW AND APPEALS	536	536	36,822	706	650	47,385	543	569	41,066	536	563	38,370
FACILITIES 2000	...	...	...	...	...	1,050	...	...	970	...	...	970
TOTAL, GENERAL ADMINISTRATION	1,102	1,167	98,450	1,289	1,310	114,735	1,116	1,214	108,695	1,096	1,202	101,061
OFFICE OF INSPECTOR GENERAL	296	335	20,541	353	371	24,051	380	380	28,324	380	398	28,382
WORKING CAPITAL FUND	...	578	...	...	617	...	...	590	...	...	572	...
U.S. PAROLE COMMISSION	136	131	10,800	106	101	11,400	115	108	11,266	103	98	9,969
GENERAL LEGAL ACTIVITIES:												
SOLICITOR GENERAL	49	54	4,650	48	54	4,570	48	54	4,806	48	54	4,889
TAX DIVISION	556	541	42,244	661	673	51,643	656	659	51,505	662	656	50,487
CRIMINAL DIVISION	979	826	63,659	1,032	954	78,011	963	928	77,052	792	739	81,820
CIVIL DIVISION	884	878	93,000	1,079	987	116,373	1,032	973	109,529	960	966	102,621
LAND AND NATURAL RESOURCES DIV	383	568	34,713	511	660	56,697	456	626	52,922	430	615	43,724
OFFICE OF LEGAL COUNSEL	39	42	2,818	39	42	3,116	39	43	3,080	39	43	3,013
CIVIL RIGHTS DIVISION	465	433	32,513	530	507	39,850	488	466	42,207	461	437	39,324
INTERPOL-USNCB	79	75	5,682	79	78	5,839	79	79	5,755	79	79	5,839
LEGAL ACTIVITIES OFFICE AUTOMATION	...	...	12,014	...	...	29,425	...	...	29,425	...	...	23,171
SPECIAL COUNSEL	36	29	3,596	40	37	3,450	33	32	2,950	36	34	3,856
TOTAL, GENERAL LEGAL ACTIVITIES	3,570	3,546	294,889	4,050	4,002	384,974	3,817	3,860	378,211	3,538	3,622	336,546
ANTITRUST DIVISION	387	372	31,817	644	576	51,938	564	536	50,304	387	372	33,730
FOREIGN CLAIMS SETTLEMENT COMM	7	7	440	7	7	440	7	7	487	7	7	490
U.S. ATTORNEYS	7,981	7,524	515,864	7,794	8,455	620,046	7,961	8,663	629,942	8,147	8,654	628,095
U.S. MARSHALS	3,250	3,235	237,881	4,417	3,977	391,737	3,714	3,625	306,181	3,503	3,496	288,529
SUPPORT OF U.S. PRISONERS	...	...	158,437	...	...	224,839	...	...	203,880	...	...	193,034
FEES AND EXPENSES OF WITNESSES	...	...	86,027	...	...	79,531	...	...	76,829	...	...	70,628
COMMUNITY RELATIONS SERVICE	118	118	28,930	129	129	41,463	120	121	30,884	118	120	26,172
ORGANIZED CRIME DRUG ENFORCEMENT	...	...	214,921	...	...	374,856	...	...	283,138	...	...	330,000
FEDERAL BUREAU OF INVESTIGATION	21,136	23,011	1,499,444	26,093	25,539	2,173,156	24,529	24,906	1,896,833	21,643	23,084	1,640,237
DRUG ENFORCEMENT ADMINISTRATION	5,407	6,011	548,709	6,516	6,560	802,216	6,185	6,492	712,231	6,112	6,586	700,000
IMMIGRATION & NATURALIZATION SVC	12,388	12,629	842,297	15,104	14,968	1,130,448	14,145	14,063	969,566	12,522	12,369	884,349
IMMIGRATION EMERGENCY FUND	...	...	35,000	...	...	...	...	...	...	...	...	...
FEDERAL PRISON SYSTEM:												
SALARIES AND EXPENSES	17,471	18,019	1,138,705	20,354	18,650	1,338,510	20,354	18,827	1,380,097	22,269	19,342	1,371,882
NATIONAL INSTITUTE OF CORRECTIONS	49	49	9,973	58	58	21,358	53	53	10,705	53	53	10,007
BUILDINGS AND FACILITIES	376	298	1,396,953	450	431	637,305	379	371	373,841	378	365	374,358
FEDERAL PRISON INDUSTRIES	...	1,404	...	...	1,448	...	...	1,467	...	...	1,467	...
COMMISSARY FUND	...	196	...	...	278	...	...	212	...	...	212	...
TOTAL, FEDERAL PRISON SYSTEM	17,896	17,964	2,545,631	20,862	20,865	1,997,173	20,786	21,030	1,764,643	22,700	21,439	1,756,247

DEPARTMENT REQUEST TO OMB

The 1991 **General Administration** (GA) Congressional submission reflects reductions of 17 positions and $9,516,000 from the level requested of the Office of Management and Budget (OMB). These reductions include $2.4 million associated with adjustments to base such as the 50-percent absorption of the 1991 pay increase ($882,000); the effect of cuts in the final 1990 appropriation (8 positions and $1.9 million); the effect of the 1990 sequester ($1.3 million); the Administration's efforts to reduce Federal spending (5 positions and $3.5 million); decreases of 4 positions and $127,000 associated with A-76 savings; and the anticipated FTS 2000 savings ($259,000).

The 1991 **Office of Inspector General** (OIG) Congressional submission includes reductions of $1,094,000. The reductions are as follows: 50-percent absorption of the 1991 pay increase ($333,000); absorption of administratively uncontrollable overtime (AUO) increases ($546,000); and other adjustments to base totalling $215,000.

The 1991 request for the **U.S. Parole Commission** includes a net reduction of 12 positions and $1,527,000. However, the President's budget also includes cuts of 5 positions and $165,000 taken during the 1990 budget process for a total reduction of 17 positions and $1,692,000. This reduction was for adjustments to base of $446,000 including the 50-percent absorption of the 1991 pay raise ($54,000), FTS 2000 ($85,000) and space rental cuts ($131,000); additional phase-down costs (12 positions and $1,064,000); and elimination of program increases for the Intensive Supervision Program (3 positions and $100,000) and the Monitoring Program (2 positions and $82,000).

The Department's 1991 OMB request for the **General Legal Activities** (GLA) appropriation totaled $381,850,000, while the request to Congress totaled $338,546,000 for a reduction of $43,304,000. The adjustments are described below.

- The Congress reduced the 1990 request for GLA by $5,491,000 in the enacted 1990 appropriation and a 1990 program supplemental for $6,350,000 was denied. The 1991 base request in the OMB submission included funding for these requests.
- Mandatory increases experienced a net reduction of $11,258,000. This included denial of requested increases for executive pay, within grade increases, GSA rent increases, building maintenance, general pricing levels, security investigations and annualization of program supplementals. Also included are reductions in funding for FTS 2000 savings and increases in mandatory funding for the 1991 pay raise and for SES pay.
- The transfer of the Organized Crime and Racketeering Strike Force field units from the Criminal Division to the U.S. Attorneys offices accounts for a decrease of

$13,600,000. The permanent sequester of funding imposed through the 1990 reconciliation process reduces the 1991 request by $3,587,000.

- An program reduction for A-76 productivity savings amounts to a reduction of $75,000.

- Adjustments in requested program enhancements comprise the remaining $2,943,000 difference between the OMB and Congressional requests. These include an increase of $539,000 in the Civil Division request, a reduction of $1,657,000 in the Lands Division enhancement, an increase of $1,299,000 for the Civil Rights Division, a decrease of $16,000 for INTERPOL, and a decrease of $3,108,000 for Legal Activities Office Automation.

The Department requested 564 positions and $51,372,000 for the **Antitrust Division.** The Congressional budget shows 387 positions and $33,730,000, a reduction of 177 positions and $17,642,000. OMB denied the requested program increase of 20 positions and $633,000. Half of these positions were for the Division's Cartel program; the other 10 positions were for the Division's Structure program. In addition, 157 positions and $15,000,000 in associated funding is non-appropriated because the Division was given authority to collect Hart-Scott-Rodino premerger filing fees. The remaining difference of $2,009,000 is for denied adjustments-to-base, including a permanent sequester of $405,000.

The Department requested $641,113,000 from OMB for the **U.S. Attorneys** appropriation for 1991. Of this request, $628,095,000 was approved for the President's Budget to the Congress. The following breakout displays the $13,018,000 difference between requests.

- A decrease of $4,807,000 for half of the 3.5 percent pay raise proposed by the Administration for 1991.

- An increase of $3,053,000 for 1991 costs for the 1990 pay raise for senior executive service employees.

- An increase of $1,982,000 for GSA space and related services requirements.

- Decreases totalling $20,690,000 for other mandatory requirements. This includes amounts for administrative salaries, general pricing levels, security reinvestigations, within-grades, and building maintenance ($12,152,000) as well as a reduction to adjust for the permanent sequester ($6,697,000). Also reduced was funding for the FTS 2000 ($1,841,000).

- An increase of $13,600,000 for the transfer of the Organized Crime Strike Forces from the Criminal Division.

- A program decrease request of $6,156,000 to meet the budget levels established by the Administration.

The **U.S. Marshals Service** (USMS) 1991 resource request to Congress reflects a reduction of 211 positions and $22,049,000 from USMS's request to OMB. Of this amount, $9,752,000 is associated with unfunded adjustments to base, including 50 percent of the 1991 pay increase ($1,852,000). In addition to these absorptions, the following program increases were denied:

- Seized Asset Management - 44 positions and $2,144,000 for additional staff for seized asset management units in the districts and at National Asset Seizure and Forfeiture program offices.
- Prisoner Transportation and Detention - 13 positions and $2,414,000 for additional support to the National Prisoner Transportation System, additional Deputy U.S. Marshals to perform required jail inspections and in-district transportation of prisoners, and funds for the purchase of vehicles.
- Protection of the Judicial Process - 18 positions and $769,000 to enhance witness and judicial security.
- D.C. Superior Court - 21 positions and $483,000 for additional staff at the D.C. Superior Court.
- Management and Administration - 22 positions and $1,051,000 for additional staff in the areas of personnel, budget, finance and resource analysis.

OMB decreased 87 positions and $5,400,000 to the Fugitive Apprehension program. OMB also decreased 6 positions and $36,000 for A-76 management and productivity improvements.

The 1991 **Support of U.S. Prisoners** request to Congress reflects a reduction of $10,826,000 from the OMB request. Of this amount, $5,826,000 is associated with a rising jail day rate and $5,000,000 is associated with the Cooperative Agreement Program.

The Department's 1991 OMB request to for the **Fees and Expenses of Witnesses** (FEW) appropriation was $76,629,000. The request to Congress is $70,628,000, a reduction of $6,001,000.

- The total mandatory increase of $1,783,000, which included an increase of $1,500,000 for expert witnesses for the Exxon-Valdez case, was denied. Also, a permanent sequestration of $757,000 was taken.
- OMB reduced funding of the requested program increases as follows: Expert Witnesses - $3,459,000 and Private Counsel - $2,000.

The Department requested 120 positions and $31,121,000 for the **Community Relations Service**. The Congressional budget shows 118 positions and $28,172,000, a reduction of 2 positions and $2,949,000. OMB denied a program increase of 2 positions and $63,000 for the Prevention and Conciliation of Community Disputes program to provide 2 additional conciliators to its Seattle/Northwest region, Region X. The remaining $2,886,000 difference is for denied adjustments-to-base, including a permanent sequester of $404,000.

The budget request for **Organized Crime Drug Enforcement** increased by a total of $46,836,000 including a net $539,000 increase in mandatory expenses, a $36,837,000 increase in funding for drug law enforcement activities and a $9,460,000 increase for drug prosecutions.

For 1991, the final request to Congress for the **Federal Bureau of Investigation** (FBI) reflects a total reduction of 2,886 positions and $332,138,000 from the OMB request and includes a reduction of 856 positions (336 agents) and $173,875,000 to requested program enhancements.

The FBI's base level was reduced by $116,348,000 including the following: $15,000,000 for construction of the Engineering Research Facility (ERF) - Pod B; $10,000,000 for the relocation of the Washington Metropolitan Field Office; $14,160,000 for half of the 1991 pay raise; $20,941,000 for the 1990 sequester; 38 positions and $1,844,000 to meet the Administration's targeted budget deficit levels; and $321,000 in savings associated with the replacement of 23 agents in administrative positions at headquarters with non-agents. The FBI also did not receive funding for various mandatory increases, including GSA recurring services, building maintenance, and general pricing level adjustments.

Program Increases Denied: In order to fund a portion of the increased costs of AUO, all positions requested in 1991, except those for the Drugs program, are lapsed at 75 percent, rather than the typical 50 percent. New positions requested for the Drugs program are lapsed at 65 percent. OMB has agreed to provide full annualization of these positions in 1992. Due to the new lapse, personnel funding for program enhancements reflected in the request to Congress is less than that requested to OMB. This increased lapse rate is reflected in the program reductions identified below:

- Other Field Programs - Total increases of 244 positions (114 agents) and $32,890,000 were denied, including additional resources for the Bureau Applicant program and for establishing a legal attache in Madrid, Spain.

- Organized Crime program - Increases totaling 188 positions (89 agents) and $18,768,000 were denied, including the following: 100 positions to conduct additional Civil RICO investigations; 86 positions requested to support intensified efforts against Asian Organized Crime; $2,532,000 for confidential case expenditures; 2 positions to establish a legal attache in Bangkok, Thailand; $849,000 for aircraft operations; $696,000 for public source information subscription costs; and $1,600,000 to increase the number of offices supported by Special Operation Groups/Off-premise sites.

- Drugs program - Increases of $3,348,000 were denied. OMB supported the FBI's full request for this program. The difference between the FBI's request to OMB and the current request results from lapsing positions at 65 percent instead of 50 percent in order to absorb the increased costs of AUO.

- White-Collar Crime program - Increases denied total 165 positions (95 agents) and $20,536,000, including 102 positions for the investigation of environmental crimes, 55 positions for bankruptcy fraud, 8 accounting technician positions, and $214,000 for payments to cooperating witnesses.

- Training program - 2 positions and $3,916,000 were denied, including $1,307,000 to provide for 10mm pistol ammunition for increased firearms training and $450,000 for field firing-range construction.

- Forensic Services - Federal program - Enhancements of $4,507,000 were denied, in part, for the architectural design of a new FBI laboratory facility ($3,750,000) and to obtain explosives examination equipment ($254,000).

- Automated Data Processing and Telecommunications program - A total of 37 positions and $27,589,000 were denied. Requests not supported include: $14,000,000 for the procurement of intelligent workstations; $10,700,000 to replace headquarters equipment which has surpassed its life-cycle; and $1,600,000 for increased supply and maintenance requirements.

- Records Management program - Resources totaling 162 positions (38 agents) and $11,009,000 were denied, including the following: 30 document examiner positions for the Freedom of Information Privacy Act Section; 128 positions to conduct background investigations of contractors and 5-year reinvestigations of FBI employees with access to National Security Information; 4 document classification assistant positions; and $1,500,000 for optical disk storage hardware for automation.

- Technical Field Support and Equipment program - This program was denied 41 positions and $30,101,000. Included in this reduction were the following: $17,012,000 to construct ERF - Pod B; 32 field electronics technician positions; 9 support positions; and $11,208,000 for the replacement/expansion of the technical equipment inventory.

- Fingerprint Identification program - The FBI's request of $3,346,000 was denied. This funding was requested to purchase additional Automated Fingerprint readers and cameras for the Automated Identification System.

- Criminal Justice Data and statistical Services program Funding of $17,000,000 for the first-year costs of the National Crime Information Center 2000 project was cut.

- Executive Direction and Control program - All position increases were supported, but lapsing positions at 75 percent resulted in a reduction of $92,000.

- Administrative Services program - The request for 17 positions and $473,000 was denied. These resources were requested for contract, procurement, property management, and accounting areas to support increasing FBI field activities.

Program Decreases: In addition to the program enhancements denied, the FBI's 1991 budget includes decreases totaling 740 positions (including 252 agents) and $41,915,000. Program decreases are detailed below:

- Program decreases totaling 514 positions (including 227 agents) and $27,322,000 have been proposed in order to meet targeted budget deficit levels established by the Administration. These decreases are presented in the following table:

	(Dollars in Thousands)	
Program	Pos.	Amount
Other Field Programs	-235	-$12,528
Organized Crime	-47	-2,232
White-Collar Crime	-65	-3,255
Training	-11	-529
Forensic Services-Federal	-10	-489
ADP and Telecommunications	-26	-2,888
Records Management	-24	-796
Tech. Field Support and Equip.	-4	-1,295
General Law Enforcement Training	-8	-397
Forensic Services-Non-Federal	-4	-193
Fingerprint Identification	-43	-1,277
Criminal Justice Data and Statistics Services	-6	-195
Executive Direction and Control	-12	-575
Administrative Services	-19	-673
TOTAL	-514	-27,322

- A program decrease of 80 positions (including 25 agents) and $13,724,000 is also included to partially offset the $41,979,000 costs of increased AUO payments. This includes the following program reductions: travel ($1,000,000); confidential case funding in Other Field Programs ($1,000,000); conducting background investigations for the U.S. Attorneys as a reimbursable program as is the practice with other Federal agencies (80 positions (including 25 agents) and $2,655,000); and equipment funding ($9,069,000) including $1,064,000 for replacement vehicles,

$2,716,000 for ADP equipment, $3,630,000 for field investigative equipment, and $1,659,000 for field office furniture and related equipment. Reductions by program are as follows:

Program	Pos.	Amount
	(Dollars in Thousands)	
Other Field Programs	-80	-$6,521
ADP and Telecommunications	...	-2,716
Tech. Field Support and Equip.	...	-4,487
TOTAL	-80	-13,724

- The final program reduction is a decrease of 146 positions and $869,000 for A-76 management and productivity initiatives. The decrease is reflected in the Records Management (73 positions and $438,000) and the Fingerprint Identification (73 positions and $431,000) programs.

The **Drug Enforcement Administration's** (DEA) 1991 resource request to Congress reflects a reduction of 73 positions and $36,734,000 from DEA's request to OMB. Of this amount, 2 positions and $20 million for base level absorptions including 50 percent of the 1991 pay increase ($5,350,000) and the 1990 sequester ($7,772,000). The absorption of AUO costs ($13,826,000) was handled by reducing program increases associated with new positions. A portion of the modular costs associated with these positions for expenses such as rent, utilities, and purchase of evidence and payments for information, were lapsed by 50 percent. OMB has agreed to annualize these costs in 1992. In addition unfunded adjustments to base included mandatory costs for within-grades, executive salary increases, and foreign administrative support costs charged by the Department of State. Furthermore, OMB denied the following program increases:

- Domestic Enforcement - 19 positions and $958,000 for field administrative support for domestic field offices.

- DEA Laboratory Services - $8,000,000 to relocate the Special Testing and Research and Mid-Atlantic Laboratories into a common facility in the metropolitan Washington, D.C. area.

- DEA Training - $1,000,000 for an architectural and engineering study for the construction of a drug law enforcement training facility at the FBI Academy in Quantico, VA. In addition, OMB denied $300,000 to purchase 500 submachine guns.

- ADP and Telecommunications - $2,551,000 for ADP contractor support for maintenance operations and systems integration and $480,000 for 400 facsimile machines.

- Records Management - 2 positions and $98,000 to enhance DEA's Investigative Records activities.
- Executive Direction and Control - 11 positions and $586,000 for a staffing shortfall in legal activities.
- Administrative Services - 15 positions and $1,557,000 for general administrative support and resources for medical exams, the fitness program and employee assistance programs.

However, the Administration added program increases of 15 positions and $11 million.

In addition, OMB cut 39 positions and $227,000 for expected savings from A-76 productivity initiatives.

The **Immigration and Naturalization Services's** (INS) 1991 resource request to Congress reflects a reduction of 1,623 positions and $149,495,000 from the request to OMB. Of these reductions, 1,157 positions and $60,569,000 occurred when Congress funded the Adjudications and Naturalization program entirely through the Examinations Fee account. An additional 485 positions were cut because they could not be funded.

Of the remaining reduction of $88,926,000, $21,492,000 are related to base-level adjustments including $7,849,000 associated with absorption of the AUO increase and $9,929,000 with the 50-percent absorption of the 1991 pay increase.

The absorption of $7,849,000 in AUO costs was handled by reducing discretionary travel and the number of regional conferences held by INS, reducing permanent change-of-station moves by 25 percent, continuing implementation of the INS policy that agents stationed at headquarters and regional offices will not be eligible to receive AUO, and continuing implementation of the INS policy that reduces overtime (other than AUO) by 10 percent. Additional funding for AUO came from a $3,222,000 reduction in a program increase for the purchase of replacement vehicles.

Unfunded adjustments to base included mandatory costs for within-grades, executive salary increases, and foreign administrative support costs charged by the Department of State. In addition to these absorptions, the following program increases were denied:

- Border Patrol - OMB cut $10,846,000 to fund positions authorized by the Morehead Amendment to the Immigration Reform and Control Act of 1986. Offsetting this cut, INS received an additional 200 positions and $13,222,000 as part of the National Drug Control Policy Board's strategy.

  In addition, OMB reduced requests for low-light TV cameras by $3,260,000, for infrared night scopes by

$3,289,000, and mobile sensors by $1,358,000. These 1991 equipment reductions can be offset by $4,300,000 in supplemental funding received in 1989.

- Anti-Smuggling Program - 11 positions and $499,000 for additional special agents to be placed along traditional alien smuggling routes (e.g., New York City, Miami and Los Angles).
- Employer and Labor Relations - OMB reduced by $100,000 the program increase for enhancement of the INS public awareness program relating to the Anti-Discrimination provisions of the Immigration Reform and Control Act (Section 102).
- Training - $3,500,000 to fund 100 additional journeyman level training courses at the Federal Law Enforcement Training Center at Artesia, New Mexico.
- Data and Communications - $1,100,000 for nationwide expansion of the Automated Information System Criminal Alien Program.
- Construction and Engineering - OMB reduced the program increases for construction of a new Brownfield, CA border patrol station by $740,000 and of a new Ysleta, TX border patrol station by $700,000. OMB also denied $3,155,000 which would have allowed INS to buy out the leases of 5 existing Border Patrol stations.
- Administrative Services - OMB reduced the program increase for replacement vehicles by $8,319,000. Of this reduction, $3,222,000 was used to offset partially the increased cost of AUO.

OMB also required the following program decreases to meet budget targets established by the Administration and to align positions with the available funding:

	(Dollars in Thousands)	
	Positions	Dollars
Inspections	0	-$3,281
Investigations	23	-3,891
Anti-Smuggling	-14	-761
Detention & Deportation	0	-5,953
Employer & Labor Relations	0	-170
Refugees & Overseas	0	-916
Training	6	-97
Data & Communications	-40	-2,359
Information & Records Mgmt.	55	-1,316
Intelligence	-3	-110
Research & Development	0	-10
Construction & Engineering	-3	-197
Field Management	-13	-1,120
Legal Proceedings	-21	-1,200
Executive Direction & Control	-7	-283
Administrative Services	-43	-1,360
TOTAL	-60	-23,024

OMB required A-76 reductions of 110 positions and $643,000. This reduction was taken entirely from the Information and Records Management program.

OMB reduced the base for the Data and Communications program by $13,133,000 as a result of the Adjudications and Naturalization Program being entirely funded from the Immigration Examinations Fee Account in 1990.

OMB nonrecurred the $7,000,000 in resources provided by Congress in 1990 for the Machine Readable Visa Program and the Automated Fingerprint Identification Program.

The **Federal Prison System's** (FPS) 1991 request for their **Salaries and Expenses** (S&E) appropriation, reflects an increase of 1,915 positions and a reduction of $30,307,000. Of this amount, $13,849,000 is associated with the 1990 sequester and $9,408,000 is associated with the 50-percent absorption of the 1991 pay increase. The FPS S&E account also took base reductions of $21,443,000 for nondiscretionary increases including payroll items, GSA rent, GSA recurring reimbursable services, building maintenance, security reinvestigation, and general pricing level adjustment costs. However, these base reductions were offset by an increase of 2,000 positions and $20,000,000 for additional positions to address overcrowding. In addition to these absorptions, the following program changes were made:

- Population Increase - $2,360,000 of FPS resources associated with the population increase.

- Contract Confinement - $2,790,000 for the enhancement of community treatment centers.

- A-76 - A reduction of 85 positions and $457,000 for A-76 management and productivity savings was taken.

FPS's 1991 request for **Building and Facilities** (B&F) includes base reductions of $4,379,000 associated with the 1990 sequester and $602,000 with 50-percent of the 1991 pay increase. However, offsetting program increases cut the net reduction to 1 position and $859,000. The final request of 378 positions and $374,358,000 represents nearly the total B&F request.

FPS's 1991 request for the **National Institute of Corrections** (NIC) appropriation reflects a reduction of $773,000. Of this amount, $534,000 is associated with base level adjustments including $139,000 for the 1990 sequester and $33,000 for the 50-percent absorption of the 1991 pay increase. In addition to these absorptions, NIC will take a program decrease of $239,000 to meet targeted deficit levels that will affect the technical assistance, clearinghouse, research and training functions that NIC provides.

FPS's 1991 request for **Federal Prison Industries** (FPI) reflects a $20,000,000 denial in borrowing authority for FPI.

The **Office of Justice Programs** request to OMB included 315 positions and $276,023,000. The final allowance provided 345 positions and $613,590,000. The request and allowance for the mandatory Public Safety Officer's Benefits program is identical. The difference of 30 positions and $337,567,000 is reflected as follows:

- For the Drug Control and System Improvement Grant program, an additional $342 million was provided for State and local Anti-Drug Abuse grants.
- The allowance was reduced by $2,973,000 for requested mandatory increases including $425,000 for the absorption of the January 1991 pay raise.
- The allowance for requested program increases was reduced by only $63,000. However, this net reduction included an increase of $4 million for the Missing Children program and a decrease of $3,750,000 for the Regional Information Sharing System.
- Congressional action on the 1990 request resulted in a net reduction of $870,000 and an increase of 30 positions.
- The 1990 sequester reduced the request by $527,000.

PRISON FUNDING

Mr. **Smith**. Now it appears that one of the areas that you figured was a lower priority was prisons, although you have already told us that we are going to need 30 percent more space than we will have by 1995. It is apparent that additional prison space will be needed unless there is some new approach to this prison problem.

Is there some new approach to it, or are we just not starting as many prisons as we started last year?

Mr. **Thornburgh**. Well, the question in the prison area, of course, is always how much is enough.

Mr. **Smith**. Right.

Mr. **Thornburgh**. And clearly the $1.4 billion contained in this year's budget will be not spent all in this year. It will be stretched out over a 5 year period.

Mr. **Smith**. But if we do not have budget authority each year to start——

Mr. **Thornburgh**. I think the request this year is in the range of $370 million.

Mr. **Smith**. That is over $1 billion less than it was last year.

Mr. **Thornburgh**. Yes.

Mr. **Smith**. Well, are we to just have that big start last year and then temper way off, or are we going to continue——

Mr. **Thornburgh**. Well, the thinking there is that this year's figure be considered in view of this unprecedented commitment made during the current year. We will continue to monitor what the effect of that is in terms of reaching the goals——

Mr. **Smith**. But we already know that we are going to be short of our goal by 1995.

Mr. **Thornburgh**. I think that is probably true based on current estimates, but those are only estimates and I do not know that we could absorb in any useful way in this current budget year more appropriations than were made.

Mr. **Smith**. Of course, what we are talking about is largely budget authority and in the first year the outlays are very small. It does cut down on budget authority, but you have to get it started.

ALTERNATIVES TO INCARCERATION

Are there any alternatives in mind like monitoring prisons that will make some relief in this area?

Mr. **Thornburgh**. We have looked particularly at alternatives in areas that relate to prisoners that pose a lesser threat to the community. Frankly, those kinds of alternatives, boot camps and monitoring and what have you, do not apply to the 49 percent of the major drug offenders that we have in jail, nor do they apply to violent criminals.

The long and short of it is that we are going to need to continue to monitor our needs for new construction. It takes 3 years to build a prison. So we have this sizeable capacity that will be coming on stream and I can pledge to you that we will look for a careful assessment of our needs and this is not unique to the Federal Government. It is the same at the State and local level as well.

Mr. **Smith**. And you are pointing out that we are going to be far short of prison space in 1995 and what is already going on is that

DEPARTMENT OF JUSTICE
1991 APPROPRIATION HISTORY
(DOLLARS IN THOUSANDS)

02-May-90
11:37 AM
BU91HIST

APPROPRIATION	1990 ENACTED LESS SEQUESTER			1991 ORGANIZATION REQUEST TO THE DEPARTMENT			1991 INITIAL DEPARTMENT REQUEST TO OMB /1			1991 REQUEST TO CONGRESS		
	POS	FTE	AMOUNT	POS	FTE	AMOUNT	POS	FTE	AMOUNT	POS.	FTE	AMOUNT
OFFICE OF JUSTICE PROGRAMS												
NATIONAL INSTITUTE OF JUSTICE			22,766			31,753			29,253			24,524
BUREAU OF JUSTICE STATISTICS			20,879			25,386			23,786			23,051
STATE AND LOCAL ASSISTANCE												
STATE AND LOCAL DRUG GRANTS			444,737			154,886			148,500			490,000
EMERGENCY ASSISTANCE			9,927									
OJJDP			69,405			15,000			11,250			7,500
MISSING CHILDREN			3,971			4,381			4,381			7,971
PSOB						26,075			26,075			
MARIEL CUBANS			4,963									
RISS GRANTS			13,402			12,000			9,750			9,750
MANAGEMENT & ADMINISTRATION	352	352	24,240	315	323	21,434	315	323	22,250	345	345	24,719
PSOB			24,818									26,075
TOTAL, OFFICE OF JUSTICE PROGRAMS	352	352	639,108	315	323	290,915	315	323	275,245	345	345	613,590
SUBTOTAL, DIRECT AUTHORITY	74,006	76,979	7,779,866	87,688	87,820	8,725,915	83,753	85,926	7,744,490	80,603	82,374	7,844,950
PRE-MERGER FILING FEES		191	19749								228	20,000
ICC TRANSFER										18	18	1,394
U S TRUSTEES		896	80,039		960	78,046		918	73,778		913	85,873
INDEPENDENT COUNSEL			5,916			4,000			4,000			4,000
CIVIL LIB PUB EDUCATION FUND						500,000			300,000			500,000
ASSETS FORFEITURE FUND												
CURRENT BUDGET AUTHORITY			98,945			100,000			100,000			100,000
PERMANENT BUDGET AUTHORITY			257,902			289,244			272,000			272,000
TOTAL, ASSETS FORFEITURE FUND			356,847			389,244			372,000			372,000
INS USER FEES		1,524	103,530		1,524	112,000		1,524	110,000		1,524	110,000
IMMIGRATION LEGALIZATION FEES		721	64,026		488	39,378		488	37,568		488	37,568
INS EXAMINATION FEE		1,771	103,244		504	28,000		504	40,000		1,648	90,000
FPI BORROWING AUTHORITY						20,000			20,000			
CRIME VICTIMS FUND			123,250			125,000			125,000			125,000
TOTAL, DEPARTMENT OF JUSTICE	74,006	82,081	8,606,466	87,688	91,296	10,019,581	83,753	89,360	8,826,843	80,621	87,194	8,870,584

1/ The final Department request to OMB amended the submission for the 1991 pay increase, administratively uncontrollable overtime, annualization of the 1990 Drug Strategy Supplemental, and costs for Employee Data Services, resulting in a total request of $9,022,168,000 they do not have enough prison space. Therefore, they have to let people out before they ought to be let out.

Mr. THORNBURGH. No.

Mr. SMITH. You do not think so?

Mr. THORNBURGH. That is something I do not think——

Mr. SMITH. Well, the judges tell us that they are. They have to take that into consideration. How crowded are the jails——

Mr. THORNBURGH. Well, I do not know how they are going to let them out since we have no parole procedures and——

Mr. SMITH. Well, that is the other problem. We are getting into sentencing guidelines. There are more and more minimum sentences. The two things are in conflict really.

Mr. THORNBURGH. I suppose if you look at the problem strictly on a snapshot of what today's situation is, you could theoretically authorize an infinite amount for new prison construction. But my hope is that we are going to see a turnaround in the drug situation over the next 5 or 10 years, that the trends that are just beginning to develop will in fact reduce the number of drug offenders that we will ultimately have to deal with, and that through careful monitoring we can be realistic in presenting to the Congress what the needs are on a year-by-year basis.

The assessment made jointly by the Administration and the Congress last year that produced this extraordinary authorization for the next 3 to 5 years is not necessarily the be all and end all, but I think it represents a fair assessment of what the needs may be.

Now, as I pointed out and you reminded me, the projections currently are that that will fall short of the goal of 30 percent overcrowding. And if that projection continues to hold true, then we are going to be faced with seeking additional authorizations.

Mr. SMITH. Well, as you know, it is popular here to suggest or pass laws that increase minimum sentences. Every time we increase the minimum sentence for somebody, it means somebody else will be let out of prison that should be during that extra period of time because there is not going to be the space.

Mr. THORNBURGH. I am not sure we have seen any evidence of that. We are concerned about the overcrowding problem, but the fact that people are being——

Mr. SMITH. The two things are in conflict. We have a shortage in prison space, and then we increase minimum sentences.

Mr. THORNBURGH. Well, part of that is, of course, reflected in the increased prison population we have now because those minimum mandatory sentences are now beginning to fall in in many of the cases, and I support them. I think they are good. I think that is the only deterrent capability you have if somebody knows they are going to commit a crime that they are going to jail for sure and that was the major thrust as you recall behind——

Mr. SMITH. Going to jail for sure for a limited number of years is more important than the possibility you will not even have to go to jail for a longer number of years. Do you agree?

Mr. THORNBURGH. Well, I think the whole thrust of the President's request for the additional funding last year was to provide a more certain environment with regard to those who commit crime.

If people can commit crime, and this happens in some of our major metropolitan areas at the State and local level, that there are two phenomena at work, excessive plea bargaining that leaves people off when they should be facing jail time, and early release.

Now neither of those phenomena presently affect the Federal system in my judgment, but they do create enormous pressures on that system with regard to the overcrowding that is being addressed by the additional prison construction.

PRISON CONSTRUCTION REQUEST TO OMB

Mr. SMITH. I have taken too much time before I yield to other members, but one last question on this.

In the area of prison construction, what did you ask of OMB? You got $375 million for budget authority. What did you ask of OMB?

Mr. THORNBURGH. The Bureau of Prisons requested $637,305,000 to the Department. The Department request to OMB was $375,217,000.

Mr. SMITH. So your judgment then was that $637 million was required?

Mr. THORNBURGH. I hasten to add that in each of these cases we have to conform to the overall budget priorities that OMB and you address.

Mr. SMITH. I understand.

Mr. Rogers.

PRISON CAPACITY

Mr. ROGERS. Mr. Attorney General, good to see you here again. We think you are doing a wonderful job as the Attorney General of our Nation, our chief law enforcement officer, and we wish you the very best.

Mr. THORNBURGH. Thank you.

Mr. ROGERS. On the Bureau of Prisons request, let me quickly deal with that with you as well. My understanding is the fiscal year 1990 funding that you now have for BOP will continue the capacity expansion program, increasing beds by an estimated 24 and a half thousand, which would be a 77 percent increase, if I am not mistaken; is that correct?

Mr. THORNBURGH. That is right.

Mr. ROGERS. The current rated capacity is 32,500 beds, rated capacity meaning what the facilities are designed to currently accommodate, and in addition, there are 8,500 more beds currently under construction. Your fiscal year 1991 proposal, correct me on this, will add 6,175 beds to the 24 and a half thousand increase received in 1990; is that correct?

Mr. THORNBURGH. Yes.

Mr. ROGERS. And that will contribute to a reduced overcrowding rate of 27 percent by 1995. During 1991, I understand your proposal is that 3,315 beds will come on line from current year activation resources and 900 beds will come on line from prior year expansions and construction for a total of 4,215 new beds on line in 1991. Does that agree with your statistics?

Mr. THORNBURGH. That is my understanding.

EFFECT OF ADDITIONAL FUNDING ON JUSTICE SYSTEM

Mr. ROGERS. Well, let me ask you on a broader plane, with the drug war increases that have been given to the various law enforcement agencies over the last 2, 3, 4 years, we have seen huge increases in the numbers of U.S. Attorneys, of law enforcement personnel in the DEA and the FBI, as well as of local resources, and we have seen some prison increases, and yet I have the feeling that all of this by nature is sort of herky jerky, what with this tremendous caseload increase over the last several years.

I am told that criminal case filings increased during the 1980's by 56 percent and drug case filings rose 229 percent during that same period, swamping the courts, swamping the normal machinery we have for dealing with criminal violations. As the Congress and as the administrations have attempted to cope with that sheer volume, perhaps we have appropriated funds not fully knowing which components within the administration of justice would bear the greatest future cost burdens.

I am wondering if you think that the system is in gridlock now in any of its portions and, if so, what can we do about it?

Mr. THORNBURGH. I think one of the problems that you have correctly identified is that there is a certain episodic nature to keeping the system in phase, but that is unfortunately the nature of the process.

We are anxious to press particular priorities when the moment is right. We did so last year and with your support made up for one of those out of balance areas in the prison area.

In the last 2 years, the imbalance with regard to the number of prosecutors has been addressed by a 50-percent increase in the prosecution area.

The President has indicated his support for additional 75 new Federal judges to bring that portion of the criminal justice system up to a level that it can carry its share of the load.

In our budget this year, you will notice, for example, a Drug Enforcement Administration request for additional support personnel, not for new agents, although agent requests are in there, but this is a component that is designed to enable those agents to perform. They need support in carrying out their activities.

And I think, if I can suggest, that the resolution of this dilemma is to see that the policymakers, those of us within the Department and in the Administration and those of you within the Congress, keep reminding ourselves that we are dealing with a continuum here, that we are dealing with a criminal justice process each portion of which requires attention in its season and there is no way, obviously, that full funding for every portion is going to be available in any one given year. But to ignore any one given portion for any protracted period of time would have a very harmful effect on the smooth operation of the system.

So we are gratified when we are able to agree upon a major infusion of funds into the prison system, a major infusion of funds into prosecution, and to propose a major addition to the judicial man and woman power that will deal with that component.

But our quest for a final and perpetual balance, I think, is always going to be frustrated by the kinds of socioeconomic phenomenon that underlay our crime problem in the first place.

As I indicated to the Chairman, let us hope, I think unrealistically, but let us hope that the drug problem all but disappears or is in your terms, contained, by 1995

That means that part of the 45 percent of the Department of Justice's budget that is devoted to anti-drug activities could be reallocated and in some cases reduced, but we do not know that and our job, working with you, is to constantly monitor where the needs are the most important and to work with you to see that those needs for the time being are addressed in a reasonable and rational way.

PRISON CONSTRUCTION FUNDING

Let me correct one thing, Mr. Chairman. My staff reminds me that the figure I gave you with regard to our budget request and how it ended up after OMB, failed to take into account the Assets Forfeiture Fund.

The OMB anticipated, and I think properly, that we would be putting as much as $280 million from the Assets Forfeiture Fund realization, which is speculative at year beginning, into prison construction as well. So that we get pretty close to the figure that we requested in the aggregate from the two sources, one contained in our budget request, and the other in the Assets Forfeiture Fund dollars that would be diverted into more prison construction.

Mr. SMITH. But we did have Assets Forfeiture Funds going into prisons last year. You know, the Drug Czar needed a kitty. So what is left over at the end of the year now goes to the Czar for his kitty.

Mr. THORNBURGH. A good case can be made to the Czar to use that kitty that he has available to him for prison construction. However, authority to transfer Assets Forfeiture Fund surpluses directly to the Federal Prison System's "Buildings and Facilities" appropriation ended with fiscal year 1989. Beginning in fiscal year 1990, surpluses up to $150 million are transferred to Bill Bennett's Special Forfeiture Fund. For fiscal year 1990, up to $115 million of such surpluses can be applied to prison construction by the Special Forfeiture Fund.

Mr. SMITH. Well, that is possible. He has a great deal of discretion there.

Mr. THORNBURGH. Yes.

Mr. SMITH. But the amount for prisons coming out of that source has been reduced.

Mr. THORNBURGH. Out of the budget?

Mr. SMITH. Assets forfeiture.

Mr. THORNBURGH. Well, it is hard to say. We do not know what is going to be there. We do not know what his priorities are going to be, but I think we can make a good case to him to put something approaching what the OMB scored on that amount into prison construction.

EFFECT OF DRUG CASES ON JUSTICE SYSTEM

Mr. ROGERS. Well, between the requirements of the Speedy Trial Act, the judicial sentencing guidelines that are new to the system, the complexity of many of these drug cases, and the asset seizure cases, the system is more difficult to operate these days and it is putting more people—a larger percentage of the defendants in prison than it did before, thanks to very efficient investigation, prosecution, sentencing, and the like.

It has reached the point that even though we are building a lot of prison beds now, historic increases, we are still overcrowded around 60 percent, I am told, and the 24,000 beds funded this year will take a long time to activate, making a dent in the overcrowding problem a more distant reality.

At the same time, many of the regular civil cases are being squeezed by the heavy influx of criminal drug cases into the courts and are tending to squeeze other civil cases back into the shadows.

Is that a trend that bothers you any?

Mr. THORNBURGH. Well, I think to the extent that these are cases that command a lesser priority, that is inevitable given the finite amount of resources that are available.

The important thing I would direct your attention to in this budget request is a willingness to tackle the cases that, if the Federal Government did not investigate and prosecute, would in all probability not be brought before our courts. These are cases where the additional investigators and prosecutors are not necessarily going to show up statistically in the number of cases, but will show up qualitatively in the deterrent capability that is built into increasingly sophisticated criminal enterprises.

When you are working on an international money laundering case, or a case involving savings and loan fraud, or housing and urban development fraud, or defense procurement fraud, or public corruption, there are very seldom cases where you break down the door, seize the evidence, put the cuffs on the defendant and bring him to court for a 1 or 2 day trial. They inevitably involve painstaking, laborious and lengthy investigations that follow a complicated paper trail that was designed to frustrate detection. And to the extent that we do not concentrate on those cases, then our financial, business and governmental institutions are going to see their credibility erode, I think, to the great loss of the Nation.

So that our emphasis on those Federal type responsibilities is probably going to crowd out from time to time the more run-of-the-mill criminal case, but that is a longstanding development.

I remember when I was head of the Criminal Division in the Department of Justice in the 1970's, then-FBI Director, Clarence Kelly, identified the need to concentrate on quality rather than quantity in dealing with cases that theretofore had been the statistical life blood of the investigative agencies, automobile theft, bank robbery cases, and the like. That is a trend that has been reinforced over the years as our investigative agencies have directed their expertise, and it is truly remarkable in some of these areas, to the big cases.

That does not mean that the other cases are going to go untended because over the same period of time there has been an enormous increase in the capability of State and local prosecutors and investigators to take up some of the slack.

But inevitably, in any criminal justice system that is constrained by finite resources, some crooks are not going to be prosecuted.

That is just going to be true in any system and the question—the management challenge for those of us who have the responsibility is to ensure that we are putting our resources in the areas that ought to command a priority in the interest of the Nation as a whole.

IMPORTANCE OF LAW ENFORCEMENT IN DRUG WAR

Mr. ROGERS. Let me ask you about the drug war. I know how strongly you feel about the importance of good law enforcement, drug seizures, interdiction and putting the crooks in prison, but how important are non-law enforcement efforts in the overall elimination of the problem?

I would like, if you would, to give us your views on the importance of factors other than law enforcement, the other solutions to the drug problem, particularly the environment of the user.

Mr. THORNBURGH. I could probably best respond to that by repeating what I told a somewhat surprised audience I was speaking to on the West Coast not long ago. I told them, if you want to lose the war on drugs, just leave it to law enforcement. They gasped for a moment, but then realized precisely what I was saying and that is, we have to realize that law enforcement alone is never going to be able to address the drug problem in the United States or anywhere else.

We cannot win this battle in the courtroom alone. We have to win it in the classroom, in the work place, in the community, and we have to win it on the battlefield of values. We are beginning to see that in this country. The inadmissability of a drug dependent lifestyle has got to be reinforced and has to be accelerated by the type of comprehensive approach that the President has suggested. That means concentration to be sure on law enforcement, which has a very important role to play, but also, by attention to better education, better rehabilitation and treatment, beginning with finding out what kinds of rehabilitation and treatment hold some promise for success rather than, as the Chairman suggested, the folly of just pouring more money into these programs.

Mr. ROGERS. Let me ask you, how important is peer pressure, and by that I mean in a much larger sense? How important are movies and television programs and video tapes that kids rent? How important is that peer pressure on the problem?

Mr. THORNBURGH. Well, you could probably get a better witness than the Attorney General on that, Congressman Rogers, but what for it is worth, as a parent and as one who has been involved in our educational process as well as law enforcement, I think it is very important.

And I think one of the difficulties for which we now pay an enormous price is that we went through a period in this country during the 1960's and 1970's where drug use was in fashion, in vogue, among many role models—entertainers, athletes, even political figures, those to whom attention is paid by young people because they necessarily are going to emulate those role models in their own conduct.

And from my point of view, those are the most grievous offenders of all. When you hear and read and learn of prominent figures in sports who make light of drug use, of entertainers who glorify drug use through lyrics and songs and portrayals, of political figures who should be engaged in the war on drugs succumbing to that war, it cannot help but have a debilitating effect upon the efforts of those of us attempting to create a set of values that rules out drug use throughout the country.

But again, I think the more kinds of things that Congressman Regula mentioned had been done by the media in his district the better—the kinds of things that the President has worked with people like James Burke, the former chief executive officer of Johnson & Johnson, and the advertising group that has been assembled there. When was the last time that we saw drug use glorified on television or in the movies? It has been a while, thank heavens. There is clearly a sanction against drug use by professional athletes, even though not as much as some of us would like to see imposed. There is a greater realization that drug testing in the work place is an important way, not only to detect the drug user, but to force that drug user to confront his or her problem and make available employee assistance programs.

I realize once you begin to talk about the drug problem you expand your horizons to cover, as we should, the whole of our society and the contributions that can be made by leaders in every part of that society.

So beginning with your question about how important is law enforcement, it is very important and I am proud of the job that our men and women have done on the front lines literally of this effort. But their efforts will go for naught if the rest of our American society does not enlist with the same zeal and vigor and display the same commitment to changing the basic values that gave rise to the notion that somehow using drugs was an admissible lifestyle, that the high from drugs, as a substitute for and an addition to the natural highs of enjoying what we have as a quality of life in this country, was an admissible lifestyle.

Mr. Rogers. Well, to the contrary, I do not think we could have found a better witness to illuminate on that very subject than you. I think you have done—as you say you could not—superbly in that area.

I have other questions and I will await another turn to ask them.

ADEQUACY OF BUDGET REQUEST

Mr. Smith. Mr. Early.

Mr. Early. General, what is interesting to me is that we talk about a $9 billion budget, and we talk about too much Government sometimes. In your statement you talked about coming down on all of that S&L fraud. From the numbers we hear in Congress, the S&L fraud is going to cost 300 to 500 billion dollars.

Again, with hindsight, General, wouldn't we have been better off if we had had enough FBI agents to stay on top of the banking fraud before it occurred—detected it earlier. I think that if you had detected it earlier, you would have prevented a lot of it and you would have really saved an awful lot of money.

I am really troubled that your budget is so little.

Mr. THORNBURGH. Well, I hate to say it, Congressman, but I have got to, that the FBI and the Department of Justice have been seeking those resources to concentrate in the bank fraud and embezzlement area for years and they have not been forthcoming.

Mr. EARLY. There is no question about that.

Mr. THORNBURGH. And now, of course, with the crescendo of attention that is focused by the collapse of many portions of the savings and loan industry, we are getting those assets.

But consistent with what I said before, we will take our opportunities and our resources as we can get them. There is still a great deal of effective work to be done in prosecuting the persons who were responsible for the wrongdoing in this area and we are extremely grateful for the $50 million addition to our resources, which you and your colleagues have provided. I guarantee you, we will make good use of it.

Mr. EARLY. I am sure you will and I hope you set up some type of system where you can see how much we recover with that $50 million.

Mr. THORNBURGH. I would not want to make an rash promises on that though.

Mr. EARLY. No, I do not want any promises or anything—

Mr. THORNBURGH. I think we talked about that last year.

Mr. EARLY. I think you recoup as much as you can.

Mr. THORNBURGH. We will. We will. Our Dallas Bank Fraud Task Force, I think, by now has recouped on the order of $14 million in the cases, but in most of these cases the assets have been dissipated or they are in vastly overvalued real estate.

But you are quite right and we will fulfill that by giving you a report on what we have recovered.

[The information follows:]

RECOVERING COSTS IN FINANCIAL INSTITUTION FRAUD CASES

Federal prosecutors have successfully obtained judgments ordering restitution amounting to over $160 million in financial institution fraud cases closed since the beginning of 1988. Actual recoveries of assets have not kept pace with judgments, however, amounting to only a fraction of the total restitution ordered. Although recoveries are likely to grow as more judgments are obtained and as we are able to devote additional resources to collection under existing judgments, many of those persons convicted of fraud will lack sufficient assets to satisfy the court imposed penalties.

RECOVERING COSTS IN DRUG WAR

Mr. EARLY. General, again, the $9 billion, I am not looking to point a finger at Republicans or Democrats, Conservatives or Liberals, but there should be more government in the area of law enforcement. We should learn from the S&L experience in this member's opinion.

I am interested in your response to Mr. Rogers with regard to the "drug war". The public pictures a guy breaking down the door, and a 6 foot 6 agent putting the handcuffs on and taking him out.

We got at organized crime and we are going to get at drugs with accountants, through the paper scenario—the paper trails. We should give you more new people for the tax aspect.

I read a series in a Miami paper on laundering and all the money that's involved. You would recapture 10 times what a thousand tax accountants would cost. Would you agree with that? Do you have an opinion on it?

Mr. THORNBURGH. Well, I am always struck by the fact that when I visit around the country—I always make it a point to visit with local law enforcement officials and they always want to make a very strong plea for additional aid and funding. In my some 20 years of experience, since I first got into law enforcement, I have never found a law enforcement officer who said they had enough, and I am no exception.

But we also have to be cognizant of the fact that we operate within the fiscal constraints that are imposed on the Government and what we try to do——

Mr. EARLY. We do not look too good, General, given what you would have saved in the S&L situation, which will never be fully appreciated by the public because when you save something they do not see it. And in the drug war, with the tax types of people I think you need, you would recoup from that.

Mr. THORNBURGH. I think you could make a case that as operated now the Department of Justice, if it were a business operation, would have a triple A rating in terms of our credit standing because of what we recover over what we cost.

Mr. EARLY. You would be in the top 500 because your $9 billion cost would generate hundreds of billions of dollars.

Mr. THORNBURGH. Let me say in fairness that we have made extraordinary use of the criminal investigative talent of the Internal Revenue Service in a lot of these complicated cases and that we have a number of accounting-trained agents in the Federal Bureau of Investigation. We have some very skilled prosecutors experienced in these cases. We have gotten enormous help, for example, in the Dallas Bank Fraud Task Force, where our efforts have been focused up to now, from the Internal Revenue Service and their criminal investigative agents. They are invaluable and I know from my own experience as a prosecutor how they can be helpful in making these kinds of paper cases.

EFFECT OF SENTENCING COMMISSION

Mr. EARLY. General, I want to get little more specific on cases. You know in Government we can be as fraudulent as anybody else. When we get a problem, we say we are going to have a study, a blue ribbon committee, and then we get the study and do not do anything.

Now in this morning's paper, there is a report of a study on the Sentencing Commission, which disturbs me. It is a GAO study. It is our study. It was taxpayers' money.

It says that the GAO study found that the Commission, created in 1984 to overhaul the Federal sentencing system, lacks a long range plan. It says we do not fill vacancies. It points out how the staff director of 4 years has been without a research director for more than a year and a half.

I think our job is to implement based on those things. I have heard testimony, and I am no expert in law enforcement, but with the Sentencing Commission, we are going to supervised release, the same as parole, but we are going to call it supervised release.

They say that the procedures are going to be changed, General, so that all of the prisoners are going to now come under the jurisdiction of the judges. That means none of them are going to have hearings in the prisons.

Now how many more marshals—what a drain on marshals it is going to be. You are going to be moving them from the prison. Why not correct that now and say that these matters will be heard in the prisons?

Mr. THORNBURGH. You mean on criminal charges?

Mr. EARLY. Under the current system, what happens now is these prisoners are tried at the institutions that they are in. Under this new revised system, you are now going to have to take them to the courthouse.

Your marshals are already overextended.

Mr. THORNBURGH. Build courthouses at the prisons?

Mr. EARLY. No. They are now tried at the prisons when they have a revocation of——

Mr. THORNBURGH. Oh, I see what you mean.

Mr. EARLY. Why not leave it like it is. I cannot understand why we do not correct that type of thing.

Mr. THORNBURGH. I think that is a question you really have to address to the judicial branch because they are the ones that make this determination.

Mr. EARLY. General, you sound like one of us.

[Laughter.]

Mr. EARLY. Now let's not pass this around. Let us just correct it, somehow.

Mr. THORNBURGH. I will make a deal with you, Congressman, I have to speak to the Judicial Conference in a couple of weeks and I will be sure to indicate some concern over that. I frankly have not addressed that problem, but I appreciate your raising it and we will take a look at it.

PRISONER ESTIMATES RESULTING FROM SENTENCING GUIDELINES

Mr. EARLY. General, in your statement on the subject of prisons, your numbers are conservative, I think. you say there are 57,000 prisoners, and the number will go to 62,000.

Earlier in the week, Judge Wilkins of the Sentencing Commission said that—I think he said they are getting 1,200 cases sent to them for examination, people that have been sentenced; I think it was per week. That is going to go up and I think we have to have alternatives to the prisons, as the Chairman said.

Mr. THORNBURGH. Let me just say one thing, if I might, Congressman Early, about the Sentencing Commission. It has been less than a year since the constitutionality of the Commission and the guidelines were approved by the Supreme Court and there was a certain delay and uncertainty about the Commission and its activities. I think a lots of these issues have been resolved and there are a lot of issues relating to sentencing guidelines, which in my view, personally, provide a much preferable format in terms of certainty and uniformity of sentences.

But I am sure that they would be the first to acknowledge that there are a lot of these things that have to be worked out now that their status has been reaffirmed.

Mr. EARLY. And I think they are trying. But according to the GAO study, General, they have three vacancies on the Commission. They have a 6 member Commission where you need a majority vote, and they have only 3 members on the Commission. Those vacancies have been there for a long time. The research director position vacant a year and a half, that is about all they have been in existence.

I wish we would implement from the study so that we will not have to do another study when this study is outdated.

[Laughter.]

Mr. THORNBURGH. Well, you give me marching orders. We will review the GAO study to see what contributions we can make.

PHASE-OUT OF THE PAROLE COMMISSION

Mr. EARLY. The Parole Commission is scheduled to be phased out in 1992. Last year you indicated the Department was reviewing options for handling the parole hearings of prisoners still incarcerated after the elimination of the Commission.

Has there been any determination?

Mr. THORNBURGH. We have not reached a final position on that, no.

USE OF TECHNOLOGY IN WAR ON DRUGS

Mr. EARLY. Okay. I think the FBI is the finest investigatory agency in police work there is, and I think it is because Hoover put them on the road to high technology and computerization. They are the most sophisticated technologically.

Now with drugs, which is going to be even more cumbersome because it is going to be more international, we should do the same thing. And I just hope Mr. Bennett is doing that and I hope you are doing that. I just do not think we can make progress if we are not up to date technologically.

Mr. THORNBURGH. Well, I quite agree with you and, as you may know, part of the President's drug strategy is to create a national drug intelligence center, which will ensure that we avail ourselves of intelligence gathered on drug trafficking and money laundering from whatever source it comes, and to use every bit of sophisticated computer capability and to draw upon what the Treasury Department is designing to deal with the material that they generate through their monitoring of cash transactions and the like.

This kind of coordinated effort, which draws on military intelligence and the intelligence community, as well as the law enforcement community, will be no doubt costly and troublesome, but it is an investment that I quite agree with you that we simply have to make to keep abreast of times.

We find more and more that law breakers are using this advanced technology. There is no excuse for us not matching them effort for effort.

USE OF ASSETS FORFEITURE FUND FOR PRISON CONSTRUCTION

Mr. EARLY. I have more questions that I am going to submit for the record, Mr. Chairman.

Just one thing, wouldn't we be better off using the entire asset forfeiture fund, which everyone wants a piece of, for prisons?

Mr. THORNBURGH. Well, we find it to be a very useful incentive for inducing cooperation with State and local officials, Congressman.

It is pretty hard, and in some cases unjust, to carry out a cooperative investigation involving the FBI, DEA, local sheriff, local police department, and when $20 million in assets is seized to take it all into Federal Treasury. In adoptive cases, up to 90 percent of the proceeds can be shared with the State and local law enforcement agencies. In joint investigative cases, a share equal to the effort contributed to the case is given to each contributing law enforcement agency. You have no idea the return that we get on that in terms of their desire to more closely integrate their activities with ours. I think that using at least a portion of that fund in the Equitable Sharing program, which was about $158 million last year and it may be $190 million this year, is a good investment.

There is a portion that goes into prisons to be sure, but those we will have to mutually assess on a year-by-year basis.

Mr. EARLY. Thank you, Mr. Chairman.

RETIREMENT OF LAW ENFORCEMENT AGENTS

Mr. SMITH. Mr. Regula.

Mr. REGULA. Thank you, Mr. Chairman.

Just a housekeeping item, Mr. Attorney General. Regarding FBI retirements Mr. Early mentioned the quality, has there been some change that would allow agents to stay on longer if they chose to do so in terms of early retirements?

Mr. THORNBURGH. The Law Enforcement Commission, which has been established to review the entire pay and benefit structures within the Federal law enforcement community, is something to which I attach enormous importance. When that Commission renders its final report I hope it will receive very careful attention by you and your colleagues, Congressman.

Mr. REGULA. So you are looking at the whole structure of law enforcement?

Mr. THORNBURGH. Yes. In that there is a recommendation that would advance by 2 years to age 57 the retirement age, but there are a great many other matters, including entry level pay, locality pay, moving expenses, that are simply going to have to be addressed if the FBI and our other agencies are to retain their preeminent role.

It is becoming a desperate situation and I think when that report comes before the Congress, you will be as amazed as I am to learn of some of the stories about individuals who have a strong dedication to law enforcement who simply by dint of the financial inequities that exist in our current system are crowded out of the Federal system and sometimes crowded out of law enforcement altogether.

I am making an early unabashed commercial for the work product of that Commission, but it does tie into the question that you asked.

Mr. REGULA. Well, thank you and I think that is great that you are looking into that because the success of all of your programs depends on quality people.

Mr. THORNBURGH. Absolutely.

INTERNATIONAL ANTI-DRUG COOPERATION

Mr. REGULA. Are you getting better international cooperation in the drug issue?

Mr. THORNBURGH. I do not think there is any question that the last year has seen an explosion in international cooperation for two reasons I would suggest: One is an unfortunate one that more and more countries are having to face up to their domestic drug abuse and drug trafficking problems. The second is that the President has taken a lead role in involving himself personally with foreign leaders in making clear the expectations we have of them in securing cooperative efforts. That makes it a lot easier for those of us who are on the front lines to deal with our counterparts in other countries.

In the European community, for example, I meet regularly with my counterparts in working out cooperative measures to deal with drug trafficking and money laundering.

Last year, I was in Colombia, Bolivia, and Peru to meet with the presidents and law enforcement and military heads of those countries. And the degree of cooperation that has been forthcoming from that area, the Andean region, culminating with the Cartagena meeting has been truly extraordinary. A very courageous human being, the President of Colombia, Virgilio Barco, has already returned to us 14 major Colombian drug traffickers who were facing criminal charges in the United States and the rest of them are on the run because they know he means business.

I mentioned earlier our conversations with present or potential money laundering centers around the world—in Switzerland and Luxembourg and Uruguay. When our discussions occur in an environment where we go into those meetings armed with a commitment from the President of the United States and the Congress of the United States to be effective in securing their cooperation, we have a major, major advantage.

Finally, there is the United Nations Drug Convention. Oftentimes I think we tend to look at actions taken in the United Nations as being more words than action. This drug enforcement convention is tough. It is oriented towards law enforcement. It obligates each of the signatory nations that ratify the Convention to specific actions in improving their capability to deal with cooperation in furnishing evidence, in removing the veil of bank secrecy, in making money laundering an offense, in asset forfeiture, in asset sharing, in dealing with precursor chemicals, in providing for boarding of vessels. It is a tough and effective law enforcement mechanism. Our Senate ratified it in near record time. There are now 5 or 6 countries that have gone through the ratification process and the President has indicated his determination to see other countries follow suit.

So that establishes a framework and a network out there within which the over 100 countries that participated in framing that Convention can establish specific ways to cooperate.

~~So~~ I am much encouraged on the law enforcement side with the degree of cooperation that we have received. I might mention, just for the sake of the record, our relationships with Mexico, which have been troublesome from time to time in the past. We have established a personal relationship with the Attorney General and his Chief Deputy for drug law enforcement in Mexico.

We will be meeting with the Organization of American States later in the spring and the Western Hemisphere efforts have been enhanced as well by the removal of one of the weak links, General Noriega, in Panama, who now awaits trial in a jail in Miami.

So I think I can say that this has been a high spot on the enforcement side of the effort against drugs.

Mr. REGULA. Well, that is great. I would follow up on the OAS. You mentioned them briefly. Has the Organization of American States been effective in providing assistance in the drug issue?

Mr. THORNBURGH. You could probably get a better assessment of their role from the State Department, Congressman, as we have dealt mostly on a bilateral basis with the countries that are in OAS, but I mentioned that as a further determination on the part of these constituent countries to act in a cooperative way.

Mr. REGULA. I am pleased to hear this because I think international cooperation has to be a real key to any successes that we have.

Mr. THORNBURGH. There is no way that any one country can deal with the problem alone or within its own borders. That is just as basic as can be. We have the biggest appetite and the biggest responsibility, I suggest, in this country to take a lead role, but we cannot do it by ourselves.

DEMAND REDUCTION EFFORTS

Mr. REGULA. You mention appetite. What, if anything, can your Department do in interfacing with the education system in the United States? Because it seems to me that the key element here, and you mention it in your statement, is to dry up demand.

Mr. THORNBURGH. We have in each of our agencies a portion of our resources devoted to demand reduction. The FBI supplies speakers for communities and schools. The Drug Enforcement Administration does the same, as do other agencies.

I will tell you an interesting example of how strong that commitment is. Our United States Attorneys, 93 strong, meet once a year to discuss issues of the day and to exchange views candidly with the management of the Department of Justice. This last fall's meeting was in San Antonio. It was preceded by a 2-day meeting of the United States Attorneys devoted exclusively to demand reduction. It has nothing to do with their law enforcement responsibilities. It was these folks getting together in a workshop to exchange ideas on how they as prosecutors could make a contribution to their respective communities by helping out in the education and prevention area.

I was greatly impressed by that because in all honesty that is not part of their narrow job description, but they are leaders in their communities, they are good citizens and they tackled that as a priority and I was very proud of it.

Mr. REGULA. Thank you.

Thank you, Mr. Chairman.

ASSETS FORFEITURE FUND

Mr. SMITH. Mr. Kolbe.

Mr. KOLBE. Thank you, Mr. Chairman.

General Thornburgh, welcome.

Mr. THORNBURGH. Good morning.

Mr. KOLBE. Good morning.

Mr. Chairman, let me begin by following up something I asked about last year regarding the asset forfeiture fund.

Last year, I am quoting responses to some questions I asked, Mr. Roper stated that $470 million was the estimated fiscal year 1990 level of receipts.

Can you tell me is that indeed turning out to be true? Is that estimate valid? What is the estimate for 1991? It looks to me like it is $372 million.

Mr. THORNBURGH. Mr. Roper, my coach, will give you a response, Congressman Kolbe.

Mr. KOLBE. All right.

Mr. THORNBURGH. The estimate, I am advised, is still $470 million for 1990 and $500 million for 1991. We will take whatever we can get though, I assure you.

Mr. KOLBE. Five hundred is—then I still have trouble understanding how this works, but maybe I need to ask some questions of staff.

The 1991 estimate here is $372 million, it says. Is the rest retained, or what happens to that? Maybe Mr. Roper could directly respond.

Mr. THORNBURGH. I am advised those are the obligations that we expect to obligate in 1990.

Mr. KOLBE. Okay.

Mr. THORNBURGH. But I will be glad to clear up any questions. We will make appropriate staff available to you or your staff to lay it out. It does get confusing, I have to admit myself, because there is a lot of in and out of that fund. There is a lot of that fund that is being currently managed and in the process of being converted into distributable or usable funds, I think there is over a billion dollars in assets that the marshals currently are managing, holding in some cases pending judicial proceedings in order to carry forward the forfeiture on real estate and things like that.

Mr. KOLBE. I think the rest goes to Mr. Bennett, the Drug Czar. Is that right?

Mr. THORNBURGH. Right.

DRUG ENFORCEMENT AGENTS

Mr. KOLBE. I too join in with my colleagues in saying that I commend you and the Justice Department for the emphasis you are putting in fighting the war on drugs and the understanding that we are going to have to do it, as you say, with changing values. I guess we are all coming to the conclusion, I think rightly so, that we are not going to win this war by getting at the supply side. We are going to have to win it on the demand side and that means changing people's attitudes about the use of drugs, changing people's attitudes about tolerance of others using drugs, and that is really what this battle is all about.

Nonetheless, of course, the enforcement aspect of our triad, if you will, on attacking the drug problem remains a very important part of it.

The 1991 request for DEA is $150 million over what we appropriated last year. You have got 413 new positions there. Can you or somebody tell me of that number, 413 new positions, how many would be DEA agents as opposed to support staff and others?

Mr. THORNBURGH. Three hundred out of the 413 new Domestic Enforcement positions will be agents.

Mr. KOLBE. Would actually be designated law enforcement agents?

Mr. THORNBURGH. Yes.

Mr. KOLBE. DEA agents.

Do you have any idea where you see the need for——

Mr. THORNBURGH. I am sorry, in addition, there are 30 agents in the Special Enforcement Operations program. So that would be 330. Also, there are 78 agents in various other programs, for a total of 408 agents, out of 705 net new positions.

Mr. KOLBE. Thirty in the special enforcement?

Mr. THORNBURGH. Yes, special operations.

HIGH INTENSITY DRUG TRAFFICKING AREAS

Mr. KOLBE. Special operations. Thank you.

Do you have any idea how you see allocating these new resources of agents, where you are going to place them?

Mr. THORNBURGH. Well, generically I think you have identified it, where the major problems exist and I would have to seek the advice and input of the Director on that score.

Again, it sometimes becomes a patch and fill operation because of a change in the patterns of trafficking or a bad guess as to where we might have allocated resources in a particular time interval, but that is the management challenge that DEA faces.

They report to me some shift in cocaine trafficking patterns away from Southern Florida, for example, to Southern California, the Southwest border area, and that would occasion, for example, a shift in resources.

The drug strategy identified five high intensity drug trafficking areas.

Mr. KOLBE. One of which was the Southwest border and I am wondering whether the increases are going to be targeted in those areas?

Mr. THORNBURGH. A portion of those will be because of the high intensity drug trafficking area designation, but some of—again, it is a mix and match proposition because some of those have already de facto been the subject of high intensity efforts.

So those, again, will be the kind of management decisions that are based on a careful review of the entire situation. I would not want to prejudge or anticipate what the recommendations of the DEA people will be if they receive this kind of influx.

I can only assure you that the placement of those agents will be done on the basis of a careful assessment of what the priority areas ought to be and obviously will fulfill the President's direction with regard to high intensity drug trafficking areas that were identified in his strategy.

Mr. KOLBE. Thank you, General Thornburgh. I have some other specific questions in the area of staffing, but I will either submit those for the record or wait for the individual parts of your Department to appear to ask those questions.

USE OF MILITARY FACILITIES FOR PRISON SPACE

On the subject of Federal prison space, in your testimony you say that you are asking for 1,700 new prison beds and you are going to do that through acquisition and conversion of surplus military facilities.

Have you had liaison at this point with the Defense Department to identify those facilities? Where do we stand on that?

Mr. THORNBURGH. I think it is important for me to state for the record, we have had an extraordinarily good relationship with the Department of Defense in this and other areas during Secretary Cheney's tenure and obviously have two kinds of military facilities that we are looking at. One involves presently constructed facilities that can be used largely for minimum security use and the other is land that can be used for the new types of complexes that we are talking about.

Specifically, we have established 5 Federal prison camps on active bases and 2 more are scheduled to open this year. They were established with funds from previous years, but we have also asked in this year's budget for 6 positions and $22 million to acquire and convert additional active and closed military facilities for minimum security use.

We have not specifically designated those locations as yet, but I emphasize the close relationship we have had with the Department of Defense and anticipate that these and other opportunities to make use of the facilities made available by the Base Closing Act will be availed of to the maximum extent that we can.

FUNDING FOR NEW PRISON CONSTRUCTION

Mr. KOLBE. The additional money that you are asking is not for new construction; is that right?

Mr. THORNBURGH. In this year?

Mr. KOLBE. Yes, sir.

Mr. THORNBURGH. I do not believe so.

Mr. KOLBE. I am sorry, $374 million to construct and modernize prisons. Well, that is what I am not clear of. Does that——

Mr. THORNBURGH. I get confused because, as I referred to earlier on, we do not have any separate capital budgeting. Internally we do, but monies appropriated and authorized in one year are obviously not going to be spent in that year.

We have a sizeable prison construction program underway this year that is not necessarily reflected in our budget request for this year, if I make myself clear.

What we do have in this year's budget request is $50 million and 883 positions for the activation of new facilities and these are facilities that will be brought on line during fiscal year 1991.

But again, I am not sure that that gives you in any way a sense of what the picture is with regard to the entire prison expansion program where we have this $1.4 billion appropriated last year for use in providing a total of 20,080 new beds.

So I am not sure that I have helped you much on that.

Mr. **Kolbe**. It is helpful. I gather you do not see prison population increases slackening off any time in the near future.

Mr. **Thornburgh**. I would not, although hope springs eternal, and our monitoring of the problem will be constant. We will seek to address those within the fiscal constraints that are imposed in the maximum way possible.

I made it clear last year, shortly after I came on the job, that we had to simply address this problem, that the success of our law enforcement efforts had produced a dividend of a shortfall in our prison facilities and the $1.4 billion that was included in last year's budget, I think, was a tremendous turnaround in the establishment of the proper priorities to deal with the entire criminal justice process.

DEPORTABLE ALIENS IN FEDERAL PRISIONS

Mr. **Kolbe**. General Thornburgh, I heard an extraordinary figure yesterday and since I cannot exactly remember the precise amount, I will not quote it. But maybe you know, or you could get for the record, the percent of prisoners in the Federal prison system that are deportable foreign nationals. Does anybody roughly know?

Mr. **Thornburgh**. I think it is 17 or 18 percent.

Mr. **Kolbe**. Oh, I heard something much higher than that.

Mr. **Thornburgh**. Maybe it is 17 or 18 thousand. Let me get you that figure.

Mr. **Kolbe**. That would be closer to it.

Mr. **Thornburgh**. I have inquired about that figure as well.

Mr. **Kolbe**. If it is 17 or 18 thousand, I think it is, then you are talking somewhere in the neighborhood of more like 35 percent, which is what I had heard.

Mr. **Thornburgh**. Our best guess collectively among our staff is 17.4 percent of the sentenced prisoners, but we will get you those figures.

[The information follows:]

Non-U.S. Citizens in BOP Custody

[As of February 1990]

Total inmate population	55,874
Non-U.S. citizens (total) (21.8 percent)	12,175
Sentenced inmate population	45,833
Non-U.S. citizens (sentenced) (17.4 percent)	7,989

Non-U.S. Citizens in BOP Custody—Continued

By Security Level:

	Total			Sentenced		
	Population	Non-United States	Percent	Population	Non-United States	Percent
Level 1	12,901	761	5.9	12,866	751	5.8
Level 2	5,923	2,397	40.5	5,696	2,247	39.5
Level 3	8,248	2,319	28.1	7,488	1,785	23.8
Level 4	9,228	2,052	22.2	8,569	1,514	17.7
Level 5	4,313	801	18.6	3,748	254	6.8
Level 6	392	48	12.2	392	48	12.2
Administrative [1]	10,341	2,970	28.7	7,058	1,390	19.7
Holdovers	4,528	827	18.3	16	0	0
Totals	55,874	12,175	21.8	45,833	7,989	17.4

[1] Administrative facilities include detention, medical and correctional centers.

AGREEMENTS ON DEPORTATION OF CRIMINAL ALIENS

Mr. Kolbe. I would appreciate that. And it raises this question, as soon as their prison terms are up, they are going to be turned over to INS and deported. Have you had any discussions with the governments of the nations from which these people come, and I am thinking most obviously of Mexico where you would have probably the largest single number of them, about deporting them at the time of sentencing and perhaps providing assistance to the Mexican government to support them. The cost savings would be enormous. They have a different view of penology in Mexico and we could save a lot of money. We have authority to do that now. We do prison exchanges on occasion.

Mr. Thornburgh. Our most recent discussions were with nations in the European community where a treaty exists between the United States and European countries.

One of the difficulties—again, I will give you a fuller response, but one of the difficulties is that it is sometimes uncertain to what extent the full prison term will be served in the country from which these people come. That is, getting them out of our prisons is one thing, making sure that they serve an equivalent or appropriate time in prison in another country is quite another.

Of course, once they are out of our prisons, we have lost control over what the other country's criminal justice system will do with a particular defendant. And I think that is probably the major hurdle to a general emptying out of that population.

Mr. Kolbe. Well, I concur with that and there is certainly a number that I would not recommend that you deport, but there is an awful lot of others that are pretty low level drug peons and dealers that this might be something worth considering.

Mr. Thornburgh. I would be afraid that the net effect might well be that we not only let them out of our prisons, but we let them out of any prison if they are low level people and I think we would want to be very careful with that.

Mr. Kolbe. I think you will find that we have a program that does that and that has been used and I think that has been fairly successful and they have probably been kept in prison down in

Mexico and being in prison in Mexico is not a particularly nice thought.

Mr. THORNBURGH. No, I do not think I would want to volunteer for it.

Mr. KOLBE. I am just wondering whether or not this is something that might not be more commercially pursued.

Mr. THORNBURGH. I will ask Mr. Quinlan, who I am sure does not want to be landlord to any more people, alien or otherwise, than he must, and make sure we get you a response on that.

Mr. KOLBE. Thank you.

[The information follows:]

DEPARTMENT POLICY FOR DEPORTABLE SENTENCED NON-U.S. CITIZENS IN BUREAU OF PRISONS CUSTODY

Despite the fact that the Bureau of Prisons continues to actively participate in the international prisoner exchange treaty, that process has not had a significant impact on the number of aliens returned. The primary reason is that before an inmate can be deported to serve a sentence in his native country, not only must the country agree to accept him, but the inmate must agree to go. This issue has been discussed with Director Quinlan. While it is being further explored, several significant reservations exist to change the policy of deporting non-U.S. citizens to prisons in their country of origin. These include the violation of an inmate's constitutional right to be protected from cruel and unusual punishment, as well as the potential liability to the Department and the Attorney General were an inmate transferred without his consent.

RICO REFORM PROPOSALS

Mr. Chairman, finally just in a general way would you give us your thoughts about the various reform proposals of the RICO statute?

Mr. THORNBURGH. Well, the Department of Justice has expressed some concern for some time about the unrestricted use of the civil RICO provisions by private litigants. We have very tight controls and guidelines on the use of the criminal and civil RICO statutes by our prosecutors and our lawyers to develop uniform policies and to make sure that this very powerful and, we believe, positive weapon against sophisticated crime is used in a way that represents the national interest.

On the other hand, we have no guidelines, no control, no say so in how private litigants can use the civil RICO statutes. We have been consistent supporters of reform proposals in that regard that would provide for adequate safeguards to insure that the statute is not being used in inappropriate cases.

We continue to take that view, but we are equally committed to retaining the provisions of the RICO statute to deal with, as its name indicates, Racketeer Influenced and Corrupt Organizations. It has proved to be a very effective tool in dealing with major organized and white collar crime and, at the same time that we are supportive of reforms on the use by private litigants, we want to make sure that we do not lose the ability to use it in appropriate cases in the Federal effort.

Mr. KOLBE. I concur with both statements. It has been a valuable tool and I think there have been abuses.

Have you endorsed any specific legislation? There have been various proposals that have been floated, and I know that have been introduced as pieces of legislation.

Has the Department endorsed a specific proposal?

Mr. THORNBURGH. We have viewed favorably bills such as S. 438 and H.R. 1046, which embody the concepts that I discussed and have, over a period of time, in fact before I became Attorney General, supported the principle that the ability of private litigants to secure treble damages, for example, be restricted.

But again, I think that we want to always be sure that we are in there raising our own flag with regard to retaining our ability to use civil RICO in labor racketeering and procurement fraud cases. For example, the Teamsters case and the current proceedings brought against the International Longshoreman's Association on the New York waterfront are examples of cases which simply could not have been dealt with appropriately without the tool of the civil RICO statutes because of the fact that they address an enterprise that is racketeer influenced or corrupt in a way that individual serial prosecutions of individuals cannot effectively do.

So we want to be sure that there is no doubt about the differentiation between our support of change for private litigants and the retention in the Government of the ability to continue to use civil and criminal RICO.

Mr. KOLBE. Thank you, General Thornburgh.

Thank you, Mr. Chairman.

DISTRIBUTION OF GRANT FUNDS

Mr. SMITH. Mr. Attorney General, you know the League of Municipalities was in town last week. There has been a huge increase percentagewise, in the amount of Federal drug grants available to State and local governments in the last 2 years, especially in the last year. Some of the cities want the money to go directly to them instead of to State organizations for redistribution. Apparently some of them think that they ought to be under a formula in which they get funds directly without competing with other jurisdictions. We are going to be besieged with these ideas and possible amendments that would try to make grants available directly to the cities in some flat, rigid percentage basis. What is your opinion on that?

Mr. THORNBURGH. Well, the general theory of these kinds of programs, as I understand it, has been to require each of the States to submit a comprehensive plan, which takes into account the needs of all of their communities and channels the funding that is forthcoming from the Federal Government into priority areas that are established on a State-wide basis.

The concern of the cities is not a new one, nor has it been confined historically, as you know, Mr. Chairman, simply to law enforcement funds.

When I was Governor of Pennsylvania, we had to deal with the same kind of bypassing mechanisms for a great many of the Federal programs that came into our State, but I felt then as I feel now that the State is a more appropriate planning agency when it comes to addressing the needs of all of the communities.

I was visited by a delegation from the Conference of Mayors, two Republicans, two Democrats, from cities that broadly represented the make-up of that organization. I told them that I could see very little prospect that the Administration's views would change on the appropriateness of using the States as a planning and dispensing mechanism.

But they said that they had had some discussions with the governors about breaking out a portion of these funds for direct grants to the cities. I said, if you are able to reach a consensus with my former colleagues about how the cities might have a little larger role, I doubt very much that the Administration would object to that.

But the notion that there should be a wholesale fragmentation of the process by direct grants to municipalities, cities, or whatever, I think continues to lack appeal.

As you know, as you and I discussed, that was a format utilized in the Law Enforcement Assistance Administration in its early days and I do not think that the assessment of that mechanism was as positive as it has been in the later years of using the States as the appropriate vehicle.

It does become a matter of resource allocation, but my sense is that the States can make that decision better than those of us here in Washington because of their intimate knowledge of the entire panoply of needs that local municipalities have to deal with.

ROLE OF LOCAL GOVERNMENTS IN DRUG TREATMENT

Mr. SMITH. Well, I also asked several of these municipalities how they would use it if they got more money directly and I was struck by the small amount of attention directed toward doing more with drug users. They seem to want it all for more enforcement.

Mr. THORNBURGH. That is what I was going to say.

Mr. SMITH. And it seems to me that if there is a real big void out there in this whole drug war, it is we are not doing much to get users in the circumstances where they will involuntarily take some alternative treatment. They do not necessarily have to be in jail, but make them go to a few classes and maybe watch some video, or maybe be humiliated just a little bit, but there does not seem to be those kinds of programs.

Now I would say this, I have talked to some sheriffs that did want to try this. They would not get any money if grants went directly to municipalities. They would have to go to a different level like the county government. Is there not a void in this area?

Mr. THORNBURGH. Well, I think you have clearly identified a need that can be best addressed at the local level because conditions are going to vary from community to community that give rise to a particular drug problem or a particular kind of drug problem.

That is not a kind of thing that, I think, we can direct out of Washington through the Justice Department or the Department of Health and Human Services, or the Department of Education.

And as compared with the law enforcement situation, which is interstate and, as we have reminded ourselves this morning, international in nature, and I must say that the degree of cooperation that I outlined as being hopeful in the international field is far exceeded by the degree of cooperation that is carried out between law enforcement authorities at the State and local level with their Federal counterparts. The Organized Crime Drug Enforcement Task Forces, the State and local task forces, have been enormously successful, as I learned during my trip to Iowa last month, in binding together all of the law enforcement agencies to deal with the problem of drugs which transcends county lines and State boundaries and international boundaries.

When you come to dealing with the characteristics of a community that creates and sustains the demand in the first place, while you can learn from what other communities may have done that has been successful in education, treatment, and user sanctions, that is going to be something that depends by and large on the profile of the drug user and the profile of drug use in the communities.

So I think you are absolutely right. That is an area where there is a peculiar capability on the part of those local areas to act.

Nonetheless, I think that the type of fund distribution that is envisioned by using the States as the coordinating agency ensures that the proper balance is going to be built into those programs from all of the different municipalities and organizations that are going to be dealing with it.

So it really, I think, is a fruitful area for the States to look at in terms of helping these local communities identify and attack the particular characteristics of the drug problem on the user side that they have in their communities.

USE OF MILITARY BASES AS BOOT CAMPS

Mr. **Smith**. Well, there are all kinds of ideas about what we ought to do about the drug war. There is a consensus building in the Congress toward doing something with the boot camp idea combined with Job Corps. To do that would cost a lot of money unless we use all of the efficient resources available. One possibility, of course, is to utilize surplus military bases. The same base can have a prison, a boot camp and maybe a Job Corps camp on it. That is going to take some coordination.

Mr. Early, as early as 6 or 8 years ago, started talking about using military bases. As you know, the prison administration did not want to use them at first, but we forced them to use one down in Florida and they liked the idea after they tried it. So the use of military bases is pretty well accepted now.

You mentioned that there is a lot of intelligence coordination going on between the various agencies. This is going to take a little coordination between agencies too, to get a coordinated proposal for the use of a base for various kinds of purposes.

Have you any comment on that?

Mr. **Thornburgh**. Well, I think the problem that we have to face up to is the degree to which these base sites are going to be made available, if at all, to State and local governments because the boot camp concept really does not have much of a role in the Federal system, as you know.

I think there are a lot of States that are experimenting with them. The results have been mixed, as I understand it. But if individuals are to be drawn away from their drug dependent lifestyle, a boot camp has to be accompanied with some literacy enhancements, job training enhancements, job placement opportunities.

I agree with you, I think everybody would agree that that reintegration process has to be made out of the whole cloth. But the degree to which we as the Department of Justice or indeed the United States Government can make an effective contribution in that respect, I am somewhat uncertain about. I am not really sure what we can do because those, as I indicate in my view any way, are largely going to be the responsibilities of the State and local government.

Mr. SMITH. Well, of course, coming up with plans like that, we should be asking the Czar. You and Czar Bennett get along pretty well, do you not?

Mr. THORNBURGH. Yes, we do.

Mr. SMITH. We should be asking him, I guess, because he is supposed to be putting his overall plans together.

Mr. THORNBURGH. Well, you will find us most of the time speaking with one voice.

[Laughter.]

DRUG TESTING

Mr. SMITH. I see.

But, of course, as he has said so many times, somehow we have to reduce the number of casual users. Apparently there is some encouragement in that respect. According to surveys that have been made recently there is a 30 percent reduction in drug use. There was one report a few days ago that was really interesting to me. It was a survey that showed that 80 percent of the people working in certain kinds of factories wanted drug testing. My conclusion would be that that means 80 percent were not casual users. I do not believe somebody that is a casual user would want a test.

Mr. THORNBURGH. No, and I think it also tells you that that 80 percent does not look very kindly on the remaining 20 percent who do use drugs.

Mr. SMITH. No, but it is a substantially higher figure of noncasual users than we have been hearing about. I mean to hear a lot of people tell it, you would think the majority out there were using drugs.

Mr. THORNBURGH. Well, I think that breakdown is consistent with the kinds of figures that we see beginning to develop and I am cautious about assessing those, but that is an encouraging figure. I think it also tells you, if I can just make a pitch for something that I think is not in the law enforcement area but can be enormously helpful, is increased drug testing.

You look at the military experience. I have a son who is in the United States Navy and I know what that record has been since 1981, when they first did their random drug testing and found 27 percent of the enlisted men were using drugs. They instituted random drug testing in the Navy and that figure last year was 4.8 percent. And they did not have to do a lot of separations. It just became clear that the values system within the United States Navy enlisted service was one that did not condone a drug dependent lifestyle.

I asked him, "Bill, tell me," I said, "is there any way you can kind of fiddle with those tests and maybe beat the system?" "No way", he said, "they say random drug tests, they are random drug tests." That kind of thing is being done, as you know, in certain portions of Government where there is a sensitivity to safety or national security or the integrity of our law enforcement agents. More and more employers are beginning to utilize it, again, not as a sanction to identify someone, but to give people help because self-denial is so often the biggest hurdle to getting through to drug users.

Mr. SMITH. Well, clearly, safety is in the mind of a lot of factory workers.

Mr. THORNBURGH. I should think so.

Mr. SMITH. That is clearly behind that.

REQUEST TO OMB

We requested earlier some figures about your request to OMB on specific items. At that point, I wish you would have them put in the record what you have requested, not overall, but also, identify the parts that were eliminated by OMB, and what they would be used for.

ADDITIONAL JUSTICE DEPARTMENT RESPONSIBILITIES

In addition there has never in history been such an increase in the Justice Department in resources over such a short period of time, and never such an increase in the amount of responsibility and the need for the money. We know you have a big job to do and I think that you are doing a good job but we have a lot to do yet.

Mr. THORNBURGH. Yes, we do.

Mr. SMITH. This Subcommittee certainly wants to cooperate with you in any way we can to try to overcome the main problem of drugs, but you still have to still continue on all of the other problems.

Mr. THORNBURGH. I just want to say, Mr. Chairman, that we take that responsibility very seriously. I have shared with the management team at the Department of Justice my own assessment that it is often more challenging to deal with the management of the generous allocation of resources that the President and you have provided to us than to manage in tougher times because the temptation to not be as attentive to the nickels and dimes sometimes ensues when you have been provided with the ample funding that you given to us.

But I can assure you that our management team at the Department of Justice is determined to wring every last bit of performance for the taxpayers out of the appropriations that you have provided to us and we are greatly appreciative of the confidence that you have in us.

Mr. SMITH. Good.

Mr. Rogers, do you have any more questions?

WHITE-COLLAR CRIME INITIATIVES

Mr. ROGERS. Yes, Mr. Chairman.

General, we have overlooked a little bit this morning, although you mention it in your opening statement, the white-collar crime initiatives that you are leading.

You have got some substantial increases in here for white-collar crime enforcement. I wonder if you would care to tell us what that money will be used for?

Mr. THORNBURGH. The white-collar crime program has obviously a number of components. The principle additional funding this year will go into the savings and loan enforcement effort.

The $50 million provided to be sustained in our budget request for this year is to establish task forces in 27 cities around the country that have been identified as the locale of the major fraud that has been visited upon these institutions.

That will mean that we can draw on the model established in the Dallas Bank Fraud Task Force, which has secured the conviction of nearly 50 top executives of savings and loan institutions that were victimized during the 1980's. The replication of that model is being geared up across the country in these 27 cities.

In addition, we have sustained efforts in securities and commodity frauds in 8 areas throughout the country where techniques have been used to defraud customers, including a major push in the penny stock fraud area. The defense procurement fraud area, largely centered in Operation Illwind, here in the Eastern District of Virginia, has investigated and successfully prosecuted a number of major corporations, their executives and some Defense Department personnel.

We have some 800 open investigations in the HUD fraud area that are devoted to focusing attention not only on those contractors and consultants who may have defrauded the Government, but on individuals within the Government who may have been involved in illegal activity. We have a continued effort by our Public Integrity Section working with the United States Attorneys to deal with political corruption at the Federal, State and local level. Plus, as provided for specifically in this request, we have additional personnel in the environmental and antitrust areas: in the environmental area with particular attention to toxic waste and oil spills and ocean pollution, and the antitrust area, sustained effort toward those acts that impact directly on the consumer, such as bid rigging or price fixing.

These are all criminal prosecutions and they have their counterparts, of course, throughout the Department of Justice in accompanying civil efforts to recover as much as we can of monies out of which the Government may have been defrauded.

Mr. ROGERS. Well, I thank you for that testimony and, as the Chairman has stated, this Subcommittee wants to work and is working with you and will continue to work with you. We wish you well in your job.

Mr. Thornburgh. Thank you.

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. SMITH. Mr. Early?

NEED FOR ADDITIONAL FINANCIAL ACCOUNTANTS

Mr. **Early**. General, would you provide for the record how many more accountants and tax type of people you could use—who would generate more money than they would cost, strictly for drug wars.

I will include the rest of my questions for the record.

[The information follows:]

Need for Additional Financial Accountants

Although the FBI uses agents with accounting backgrounds and Bureau-employed accounting technicians on some drug investigation cases, the Department depends upon the Internal Revenue Service for financial expertise related to drug cases. This is especially true with regard to the highly sophisticated and complex narcotic trafficking and money laundering cases handled by the Organized Crime Drug Enforcement (OCDE) Task Forces.

The IRS has the capability to identify the individuals who profit from their involvement in drug trafficking. This includes the lawyers who finance and advise the traffickers and help launder illicit narcotics money; the accountants who keep the books and disguise the source of narcotics proceeds; and the wealthy doctors, stockbrokers, and businessmen who serve as silent partners in the enterprise. These criminals have rarely been identified and prosecuted in the past. They are not routinely the target of drug enforcement agencies since there is seldom a connection between these individuals and the hard narcotics. The only way to identify and attack these criminals is through the use of financial investigations to link them with the money earned from narcotics sales. The agents assigned to the IRS's Criminal Investigations Division are the recognized experts in this aspect of narcotics cases.

For 1991, the Department of Justice is requesting an increase for the Internal Revenue Service's participation in the OCDE Task Force program amounting to $18,729,000 and 190 positions, of which 139 are special agents. These resources are requested specifically for the purpose of investigating money laundering and financial crimes associated with the massive drug smuggling operations across the Southwest Border.

The FBI attempts to recruit and hire financial accountants for its white-collar crime investigative activities; however, it is not a primary mechanism in drug investigations. The Department relies on IRS to work hand in hand with FBI and DEA agents on drug investigations.

Questions regarding the need for additional financial accountants should be directed to the IRS.

QUESTIONS FOR THE RECORD

Mr. **Smith**. Okay. We will have a few more questions to be answered for the record.

Mr. **Thornburgh**. Fine. We will be delighted to work with you and your staff in providing you as full a picture as we can of what we are doing and we thank you again for the support that has been given to us.

Mr. **Smith**. Thank you.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

Attorney General

Non-programmatic Reductions

QUESTION: The Committee is concerned about some of the Federal Bureau of Investigation (FBI) 1991 funding actions taken by the Office of Management and Budget which the Department was unable to reverse and which could seriously impact the ability of a number of your bureaus from performing their drug and crime related duties. I am referring to "program decreases" made against the FBI, the Immigration and Naturalization Service (INS) and the United States Attorneys for two reasons: first, in order to "offset costs associated with increased administratively uncontrollable overtime (AUO)", and second, in order to "meet targeted budget deficit levels". At a time when we are trying to enhance law enforcement efforts, how can the Administration possibly justify the following reductions:

> FBI: -$13.7 million to offset AUO costs. Cuts to come in travel, confidential case funding, background investigations, and equipment vital to drug and crime investigations.
>
> -$27.3 million/-514 positions (including 227 FBI agents) to meet budget deficit levels.
>
> United States Attorneys: -$6.2 million to meet budget deficit levels. The United States Attorneys will be unable to fill an estimated 225 positions authorized for 1990.
>
> INS: -$22.1 million/-60 positions to meet budget deficit levels. Cuts to be made across the board, with majority from the Detention and Deportation, Inspections, and Investigations programs.
>
> -$7.8 million to offset AUO costs. Cuts to come in travel, permanent change-of-station moves, and reduced overtime payments.

ANSWER: FBI: The $13,724,000 reduction for the FBI is part of the overall cost of $41,979,000 associated with the enactment of P.L. 101-173. The methods of funding this additional cost were chosen because they will have the least disruptive impact on the operations of the FBI. Agent positions, workyears and end-of-year agents on-board will all increase in 1991 over 1990 with this budget request. This funding has been accomplished by the following methods:

Included in this $13,724,000 is $9,069,000 that will be met through an equipment reduction in 1991. To accomplish this, the FBI will reduce purchase of replacement automobiles ($1,064,000), ADP equipment ($2,716,000), field investigative equipment ($3,630,000) and field office furniture ($1,659,000). Generally, the FBI will extend the life of a number of automobiles and the current inventory of equipment to handle this reduction.

A second component of this reduction will be achieved by the proposal allowing the FBI to conduct background investigations beginning in 1991 for the United States Attorneys on a reimbursable basis, as is done with other Federal agencies, including other agencies within the Department such as the Drug Enforcement Administration (DEA). This results in savings of $2,655,000 for the FBI to apply toward increased AUO costs. The United States Attorneys will absorb this funding from within the Executive Office for United States Attorneys; this funding absorption will not impact field operations.

The third component of this reduction will be realized through savings of $1,000,000 in travel and $1,000,000 in confidential case funding in the FBI's Violent Crimes and Major Offenders program. Anticipated workload in this program should allow the FBI to take these reductions without affecting ongoing investigations.

In addition to these reductions of $13,724,000, the lapse of 952 non-drug positions reflected as enhancements in the 1991 request was changed from the traditional 50 percent to 75 percent. Further, new positions in the Drugs program are lapsed at 65 percent. This results in savings of $26,655,000. The effect on the FBI is that these new positions will be brought on later in the fiscal year, i.e., three-quarters instead of half way. New agents often perform duties such as background investigations and other applicant matters early in their career. This change in lapse (an agent entering on duty in June instead of April) should have little impact on FBI investigative matters.

Finally, a 1991 enhancement of $1,600,000 originally intended for capital improvement projects at the FBI Academy will be used instead to fund AUO costs. The FBI plans to proceed with these electrical project this year with available 1990 funding.

In total, the FBI's 1991 budget also requests a reduction of 514 positions (including 227 agents) and $27,322,000 to meet targeted budget deficit reductions established by the Administration. The FBI elected to take this reduction proportionately across all programs. This does not include any reductions to the FBI's Drugs program which are reflected as adjustment to base (38 positions (including 22 agents) and $1,844,000). Other Field Programs would be reduced by 235 positions (including 133 agents). The Organized Crime program would be reduced by 47 positions (including 27 agents) providing sufficient resources remain to avert a resurgence of the threat of organized crime. In the FBI's White-Collar Crime program, a reduction of 65 positions (including 44 agents) would preclude the expansion of programs that are least disruptive to FBI priorities and operations in general.

United States Attorneys. In support of the Administration's efforts to reduce the Federal budget deficit, a reduction of $6.2 million was applied to the United States Attorneys 1991 request. In addition to this reduction, 225 positions that were not filled in 1990 to meet the 1990 sequester and some pay absorptions will remain unfunded in 1991.

As a result, 80 fewer attorneys will be employed for narcotics and dangerous drugs prosecutions than authorized by the President's Violent Crime initiative. Furthermore, 80 fewer attorneys will be employed for prosecution of white-collar crime and other priority litigation programs. In addition, 65 support positions will remain unfilled.

Immigration and Naturalization Service. For INS, a program reduction of 60 positions and $22,127,000 is requested to meet targeted budget deficit reduction levels established by the Administration. With the exception of the Border Patrol, INS will reduce its programs across-the-board to absorb this reduction. To accomplish this, INS will maintain a hiring freeze in 1990 and reach this reduced position and funding level in 1991 through attrition.

To fund the increased AUO costs of $11,071,000, INS has reduced a 1991 enhancement for replacement automobiles by $3,222,000. The remaining base absorption of $7,849,000 is planned to be taken in such areas as permanent change-of-station moves ($2,800,000), overtime other than AUO ($2,781,000), and discretionary travel/regional conferences ($1,268,000). An INS policy that agents at headquarters and regional offices can not receiving AUO will save $1,000,000. This general "belt-tightening" by INS should not impact on its operations during 1991.

QUESTION: Would you agree that these reductions are non-programmatic in nature, and in fact, that these bureaus can effectively utilize these funds?

ANSWER: Any reduction to an agency's budget can be considered programmatic. However, the methods of funding the increased AUO costs as well as absorbing the reductions to meet targeted budget deficit levels were carefully selected to minimize the programmatic effect on the involved agencies.

State and Local Drug Grants

QUESTION: The Department is requesting $492 million in 1991 for grants to State and local law enforcement agencies, an increase of $45 million over 1990 appropriations. Is the Administration now committed to the concept that the Federal Government must provide funding to enhance State and local law enforcement if we are to win the war on drugs?

ANSWER: The Administration is committed to the Anti-Drug Abuse State and Local Grant Program in the 1991 budget proposal. The request for $490 million in 1991, an increase of more than $45 million over 1990, represents a continuing commitment. This Administration recognizes that a comprehensive, coordinated approach is needed to combat the nation's drug problems. To be successful in the war on drugs, we must all work together to combine efforts at all levels of government and within all elements of society. The Administration's recognition of this concept is addressed at length in the 1990 National Drug Control Strategy that was issued in January.

QUESTION: In 1990, $50 million was appropriated for discretionary grants for State and local agencies. Considering the needs of these agencies in their drug efforts, why has the Department not yet issued its program plan for distribution of these grants? I understand that last year this plan was issued in January.

ANSWER: The 1990 Anti-Drug Abuse Discretionary Program Plan was published in the *Federal Register* on March 19. Last year, because the appropriation bill was signed on October 1, the Program Plan was published in January, the earliest publication date since the program's inception. For 1990, the appropriation was enacted on November 21, budget authority was subsequently reduced for sequestration, and final sequester amounts were not available until after enactment of the Omnibus Budget Reconciliation Act of 1989, on December 19. Additional factors existed that influenced timing of the Plan's publication. The available funding increased from $30 to $50 million. Since many projects had already been funded for a three-year period, a more detailed analysis of the programs under consideration was required. Careful review and consideration was required to ensure consistency with the President's 1990 National Drug Control Strategy, issued in January. It was important to ensure appropriate coordination with other Federal drug control agencies. In addition, compatibility with projects earmarked for funding in the Conference Committee report had to be considered. In 1987 and 1988, the Program Plan was published in March. Thus, the Program Plan was quite timely.

QUESTION: How can the Department say on one hand that it is supportive of these grants and then on the other delay the awarding of grants for which funds have been appropriated?

ANSWER: The 1990 formula grants were awarded to all 56 States and Territories by mid-March, a full month earlier than last year. As indicated previously, the 1990 Discretionary Program Plan was published in March, the same month it was published in preceding years, with the sole exception of 1989.

QUESTION: $50 million was appropriated for discretionary grants for 1990. In the report accompanying the Act, less

than 25 percent of this amount was identified for national programs and demonstration projects with high Congressional interest. What is the status of these projects?

ANSWER: The Program Plan contains national programs and demonstration projects consistent with those identified in the Conference Committee Report.

S&I Study

QUESTION: Last fall, the Committee directed our Surveys and Investigations (S&I) staff to perform a review of the State and local drug grant program. The review determined that the formula grant portion of the program was being well run; however, the S&I staff was prevented from performing its standard review of the discretionary program. Why was the Department unwilling to allow the Committee's S&I staff unrestricted access to the personnel and information associated with this program?

ANSWER: The longstanding policy of the Executive Branch is to comply with Congressional requests for information to the fullest extent consistent with the constitutional and statutory obligations of the Executive Branch. In implementing this policy, the goal of this Department in all cases is to satisfy legislative interests while protecting Executive Branch confidentiality interests. We also seek to ensure that the information provided is complete, accurate and transmitted in a timely fashion. Accordingly, we made available all of the employees the S&I staff desired to interview, but requested that a Department representative be present at the interviews. We also made available all requested documents and provided the S&I staff with office space to facilitate their efforts in reviewing the documents in which they expressed an interest.

QUESTION: By not allowing the S&I staff unrestricted access to the program, it gives the impression that information critical of the management of the program will be uncovered. Are you satisfied that this program is being run properly?

ANSWER: We regret that the S&I staff drew the erroneous conclusion that the Department's request to have Departmental representatives sit in on the interviews was an attempt to suppress derogatory information on the management of the programs. The Department fully supports the Committee's oversight activities, as was evidenced in this matter by our willingness to make available all requested employees and documents. The internal control mechanisms of the Department are designed to ensure that programs are efficiently and effectively managed and are in compliance with the applicable Federal laws. This review process naturally results in changes in program management. Based on these internal control mechanisms, we are satisfied that the discretionary grant programs are being properly managed. However, this is not a static situation but is a continuing process that results in program changes as difficulties are identified and addressed.

QUESTION: The Committee would find it very difficult to fund a program in which it is unsure whether it is being properly managed. Can you assure the Committee that the S&I staff will be provided the access it needs to determine that the program is being run properly?

ANSWER: We can assure the Committee that the S&I staff will be provided the access it needs to determine whether our programs, including the discretionary drug grant program, are being run properly. We have examined the Surveys and Investigations staff's request to interview Bureau of Justice Assistance personnel without a Department management representative or attorney present at the interview. It is our understanding that the Bureau of Justice Assistance employees that the Investigations staff wishes to interview without Departmental representatives present are only engaged in grant administration activities; they are not policymakers and are not involved in the law enforcement or litigative functions of the Department. In these circumstances, while we must specifically consider each interview request, we do not anticipate the need to insist on either denying access or having a Departmental representative present in the interviews. Our agreement to provide access for this investigation does not constitute agreement with respect to any future investigation because in order to discharge faithfully our constitutional and statutory responsibilities to protect confidential information we must review on its own merits each Congressional request for access to documents and individuals.

To facilitate this process, we request that S&I staff inform the Office of Legislative Affairs in the Office of Justice Programs of the identities of the individuals whom they wish to interview. The Legislative Affairs Office will then make the necessary arrangements for the interviews to take place. We also believe that the S&I staff also avail themselves of the opportunity to interview policy level personnel within the Bureau of Justice Assistance and the Office of Justice Programs on the administration of the Anti-Drug Grant programs and not restrict their inquiry to staff.

Congressional Earmarks

QUESTION: What is the Department's policy concerning compliance with Congressional guidance in reports accompanying your Appropriations Act?

ANSWER: The Administration recognizes that earmarking in Congressional reports does not have the force of law; however, in the interest of comity, the Administration acknowledges the guidance provided in the reports.

QUESTION: If the Department decides not to comply with a Congressional earmark, do you then plan to comply with section 606 of your 1990 Appropriations Act, which requires that you submit a reprogramming if you reduce any program approved by Congress by 10 percent or more?

ANSWER: The Department has no plans not to comply with any Congressional earmarks and will continue to submit reprogramming notifications when any program approved by Congress is reduced or increased by $500,000 or 10 percent, whichever is less.

Facilities Program 2000

QUESTION: You request about $1 million to initiate a requirements study for the possible consolidation of Justice Department components in the Washington, DC area. Please describe your plans for this "Facilities Program 2000"?

ANSWER: For many years the Department of Justice has been working with the General Services Administration (GSA) to consolidate a large number of DOJ components in the Washington metropolitan area. In March 1988, the Attorney General and the Administrator of GSA signed a Memorandum of Understanding regarding the allocation to DOJ of approximately 1.2 million square feet of space in the planned International Cultural and Trade Center/Federal Office Building (ICTC/FOB), which will be within two blocks of the Main Justice Building (MAIN). However, objections were raised to DOJ's tenancy in this "international" facility, and the United States Information Agency emerged as an alternate agency for predominant occupancy of ICTC/FOB.

In response to this development, last July, the Attorney General and Acting Administrator of GSA agreed upon the allocation to DOJ of 350,000 square feet of space in ICTC/FOB, 280,000 square feet of space in the Ariel Rios Federal Building (ARB) (which is across the street from MAIN), and approximately 400,000 square feet of space in a new facility to be leased within a six-block radius of MAIN. In addition, GSA plans to renovate MAIN and the Government-owned Homeowners Loan Corporation Building (HOLC) to improve environmental conditions, upgrade electrical and cooling systems, and remove asbestos hazards.

Facilities Program 2000 is DOJ's strategy to consolidate a portion of its headquarters personnel, currently housed in 20 leased buildings in the Washington metropolitan area, into these 5 facilities. This initiative will require approximately 10 years to implement fully. Accomplishing this initiative would result in substantial savings to the Government from reduced long-term lease costs and dramatically reduce the Department's physical fragmentation, thereby improving working conditions, lowering operational and administrative costs, and increasing productivity due to the physical proximity of staffs.

The $970,000 requested for 1991 would be used to develop the Department's "requirements program" that identifies offices to be relocated, their personnel and equipment needs, and any special functional requirements. Additionally, the funding would provide the contract architectural and engineering support needed to begin the process of preparing construction drawings. Preliminary engineering for the specialized security systems will also be accomplished. These engineering activities are crucial to the design/construction process.

QUESTION: Are you limiting consideration of sites for this consolidation to the downtown area of Washington, D.C., or are you considering the whole metropolitan area?

ANSWER: To minimize the impact of rising lease costs in downtown Washington, D.C., while consolidating the offices, boards and divisions (OBDs), the Department has expressed its desire to be housed in Government-owned buildings to the maximum extent. Of the buildings comprising Facilities Program 2000, five are Government-owned and the 400,000 square foot new facility has been proposed for the "least cost" financing program developed by GSA, which eventually would result in Government ownership. Moreover, three of the five buildings (MAIN, HOLC, and ARB) contained in the agreement with GSA are already in existence, and two of those (MAIN and HOLC) are currently occupied by DOJ. Also, construction of ICTC/FOB along 14th Street, between Pennsylvania and Constitution Avenues, N.W., was authorized by statute.

QUESTION: Is it really necessary for all Justice Department components to be located downtown?

ANSWER: Facilities Program 2000 focuses on housing the headquarters elements of Department components, particularly the OBDs, which require proximity to MAIN, the United States Courts, and other legal institutions in the downtown area. Moreover, the litigating missions of the OBDs inherently requires a collegial association between the Assistant Attorneys General (AAGs), the Solicitor General, and the Attorney General, and their staffs. Therefore, the AAGs have maintained a presence in MAIN, while many of their Branch Directors and Section Chiefs have been housed proximate in other buildings nearby. Further, the Department's litigating divisions provide services to other Government agencies (e.g., the Tax Division's principal client is the Internal Revenue Service) which are located in downtown Washington, D.C. Moreover, the individual OBDs combine to essentially represent a bureau in terms of programmatic requirements, and they support the mission of one another, e.g. attorneys from several divisions often work on the same cases. Thus, the OBDs, if combined, are not unlike a departmental bureau in terms of programmatic requirements, with the Justice Management Division providing administrative and support services to all OBDs.

The integrity of the Department's litigation of cases would be severely compromised if the OBDs were housed outside of Washington, D.C. In addition to the issue of physical distance from MAIN, client agencies and individuals, legal institutions, and the United States Courts, the issues of security and attorney-client privilege must be considered. The Department's attorneys can not simply telefax or send by messenger classified, Grand Jury, and other privileged documents that they deal with on a daily basis. Consultations with other Government and Department officials, and opposing counsel to review documents and exchange privileged information must be conducted in person. The financial and litigative costs to the Government in terms of lost attorney productivity due to traveling to meetings, interviews, and Court proceedings can not be overestimated. Therefore, there appears to be no positive gain from fragmenting the Department's components throughout the Washington metropolitan area.

The Department's bureaus, however, have a greater degree of individual programmatic autonomy, including providing their own administrative and support services, in comparison with the OBDs. Therefore, a bureau could be located some distance from MAIN, as in the case of the DEA and the United States Marshals Service (USMS), which are housed at Lincoln Place in Pentagon City. Of the Department's other bureaus, the INS is scheduled to be relocated from leased space to ICTC/FOB because of its international orientation, the Bureau of Prisons will remain housed in Government-owned HOLC, and the FBI is housed in the Government-owned J. Edgar Hoover Building.

QUESTION: Have there been any problems associated with having DEA and USMS located in Pentagon City?

ANSWER: Given the level of programmatic autonomy of the Department's individual bureaus, DEA and USMS have not experienced significant problems due to their relocation to Lincoln Place in Pentagon City.

El Paso Intelligence Center

QUESTION: In the conference report accompanying their 1990 appropriation DEA was provided $1 million to upgrade the computer system at the El Paso Intelligence Center (EPIC). This upgrade is critical to the processing of intelligence data because existing systems at EPIC are inadequate.

We understand that the Department of Justice has made a determination that EPIC's automation requirements can best be handled through the sharing of computer resources at the Department's Dallas Regional Data Center and not through DEA's purchase of a computer. We further understand that the Department made this determination based primarily on cost criteria.

Concerns have been raised that there are operational and security considerations which override cost considerations. For example, the unique requirements for processing intelligence data seven days a week/24 hours a day at EPIC necessitates their having a dedicated system. In addition, EPIC is processing classified and sensitive information that requires special handling and security and there are serious concerns about the security associaed with the transfer of data between EPIC and the Dallas Data Center.

Is it true that the National Security Agency found that DEA's security posture is compromised through the sharing of computer resources with the Data Center?

ANSWER: The National Security Agency (NSA), in its latest report prepared in February 1990 on the security at the Rockville Data Center (attached), did not find that DEA's security was compromised. DEA does not share computer resources with any other Department component at the new Data Center. Instead the DEA computing complex at Rockville, Maryland is dedicated solely to DEA requirements, including backup. The Data Center in Dallas will support EPIC in the same secure manner as DEA applications are supported in Rockville.

QUESTION: Did NSA recommend that DEA remove all its processing from the Data Center?

ANSWER: In its latest report, NSA did not recommend that DEA remove all its processing from the Rockville Data Center. It did point to the need for some corrective actions on the part of DEA, which the Department is taking. These actions dealt primarily with DEA procedures and responsibilities for user access to DEA's dedicated computing complex.

QUESTION: Did the Department thoroughly review all aspects of this project, including security and operational requirements at EPIC, before reaching its decision to utilize the Dallas Data Center?

ANSWER: The Department considered EPIC operational and security requirements before reaching the decision to use the Dallas Data Center to support EPIC data processing. Security and operational considerations played a major part in the early analysis of ways to provide the much-needed enhancement of computer support for EPIC. It was not until those considerations were addressed that the Department decided to use the Dallas Data Center to support EPIC's data processing requirements rather than DEA purchasing a separate computer. The result is that the Dallas Data Center, which is operational seven days a week/24 hours a day, currently has a powerful computer in place that is dedicated solely to meeting EPIC requirements. The Data Center resources that will be shared are limited to operator and other support mechanisms. Thus, we are achieving economies of scale without jeopardizing

EPIC's operational or security requirements. Overall, the Department continues to believe that the decision is consonant with the National Drug Control Strategy and represents the best solution from the perspectives of both cost and effectiveness.

QUESTION: Were NSA or the Intelligence Community consulted before this decision was made?

ANSWER: The Intelligence Community was not specifically consulted before the decision was made to provide data processing support for EPIC from the Dallas Data Center. Nonetheless, the Department is aware of NSA and other Intelligence Community concerns and interests on processing data with EPIC's level of sensitivity and these concerns have been represented in the decision. If any additional concerns or interests surface, the Department is prepared to address them in an objective manner. One of the advantages of the Department's decision about EPIC computer support is the flexibility it provides to meet additional requirements, including increasing security levels, as they might arise.

QUESTION: Can the Department find other uses for the resources at the Dallas Data Center?

ANSWER: The Department will support any use of the Dallas Data Center when it represents the most cost conscious and effective means to support mission needs of Department components in particular and the law enforcement community in general. The Department is becoming more effective in addressing the issue of information management and seeing the logical interfaces among the various law enforcement information systems and databases. We believe that the Dallas Data Center is in a position to assume major data center responsibilities and functions in the Southwest border area, especially as it relates to sensitive drug enforcement data and would be responsive to such requirements.

NATIONAL
INFORMATION
SECURITY
ASSESSMENT
CENTER

S2-06-90

INFORMATION SYSTEMS SECURITY ASSESSMENT OF THE DRUG ENFORCEMENT ADMINISTRATION AUTOMATED DATA PROCESSING SYSTEMS

(REVISED FEBRUARY 1990)

NATIONAL SECURITY AGENCY ★ UNITED STATES OF AMERICA ★

S2-06-90

INFORMATION SYSTEMS SECURITY ASSESSMENT OF THE DRUG ENFORCEMENT ADMINISTRATION AUTOMATED DATA PROCESSING SYSTEMS (REVISED FEBRUARY 1990)

FEBRUARY 1990

PUBLISHED BY
THE NATIONAL INFORMATION SYSTEMS SECURITY
ASSESSMENT CENTER
NATIONAL SECURITY AGENCY
FORT GEORGE G. MEADE, MD 20755-6000

THIS PUBLICATION MAY NOT BE REPRODUCED IN WHOLE OR IN PART WITHOUT THE PRIOR APPROVAL OF THE ISSUING OFFICE OR THE DRUG ENFORCEMENT ADMINISTRATION.

EXECUTIVE SUMMARY

1 This report replaces the Information Security Assessment of the Drug Enforcement Administration, Automated Data Processing Systems, published in June 1989. Following publication of the original report, it was determined that many of the findings and recommendations concerning the Department of Justice, which supports the Drug Enforcement Administration (DEA), were outdated and no longer applicable

2 Most of the DEA's computer support is handled by the Justice Data Center-Washington (JDC-W) facility. The majority of this report is based on a recently concluded review of those portions of the newly activated JDC-W facility, located in Rockville, MD, that support the DEA. The team was not able to give specific attention to those systems that are operated by the DEA outside of the JDC-W This assessment was undertaken at the request of the JDC-W personnel.

3 The assessment team found the new facility to be state of the art and believes that it provides DEA users with a reliable, protected processing capability which can meet user requirements for automated information systems support. Once available security procedures and automated features are fully implemented, certification and recertification becomes a routine task, allowing new and future security requirements to fit into the system with little effort. A complete listing of the findings and associated recommendations compiled by the assessment team are found in this report. The assessment team commends the JDC personnel for an excellent job in designing and setting up this new facility.

TABLE OF CONTENTS (U)

Title *Page*

EXECUTIVE SUMMARY (U) ii

SECTION I - INTRODUCTION (U) 1

SECTION II - THREAT (U) 3

SECTION III - FINDINGS AND RECOMMENDATIONS (U) 5

SECTION IV - CONCLUSIONS (U) 9

SECTION I - INTRODUCTION

PART I - DEPARTMENT OF JUSTICE

1. In September 1989, the Justice Data Center--Washington (JDC-W) began operations at their new computer facility in Rockville, MD. This facility now houses four mainframe computer systems owned by the Department of Justice (DoJ), one of which is operated solely in support of the Drug Enforcement Administration's (DEA) automated information systems. On 19-22 December 1989, representatives from the Information Systems Security Organization (ISSO) at the National Security Agency (NSA) performed a computer security assessment of portions of the DoJ/DEA computer system.

2. The computer security assessment was not an inspection, accreditation, certification, or risk analysis but a technical analysis of the computer security posture of the DoJ/DEA system at JDC-W. The information analyzed was derived from discussions with the automated data processing (ADP) Facility Security Officer, operations personnel, user help desk personnel, systems programmers, and other ADP facility security staff. During this assessment, there were no hands-on testing of the system or discussions with DEA ADP users of the system.

3. The assessment examines various areas of computer security. These areas are designed to determine whether the goals of computer security are being met. It is recognized that the goals of computer security include:

a. Protection from compromise of information;

b. Protection from accidental or malicious modification, insertion, or destruction of information;

c. Protection from denial of service threats to information and computing resources; and,

d. Accountability of users on computer systems.

4. The assessment also recognized the similar goals or fundamental characteristics of the DoJ/DEA system as defined in the U.S. DoJ Order 2640.2B, dated November 16, 1988, Subject: Automated Information Systems Security.

5. The computer security goals and the DoJ fundamental characteristics are achievable by implementation of the DoJ 2640.2B requirements. These requirements specify the protection mechanisms necessary to ensure the effectiveness of the DoJ/DEA system in a secure operating environment and, more importantly, define who in the organization is responsible for implementating this policy. The responsibilities are a joint effort of the ADP Facility Security Officer and the DoJ user organizations.

PART II - DRUG ENFORCEMENT ADMINISTRATION

1. The DEA has one of the most straightforward missions within the Federal Government and includes:

   a. The enforcement of controlled substance laws;

   b. The investigation and prosecution of persons involved in the illicit production and trafficking of controlled substances; and

   c. The promulgation of programs to reduce availability of illicit controlled substances.

2. The DEA's primary responsibilities include:

   a. Coordination and cooperation with other Federal Government law enforcement agencies and state and local law enforcement officials on mutual drug enforcement efforts;

   b. Investigation and prosecution of major violators of controlled substance laws operating at all levels;

   c. Regulation and enforcement of/with compliance with the laws governing the legal manufacture and distribution of controlled substances;

   d. Management of a national narcotics intelligence system in cooperation with federal, state, local, and foreign officials to collect, analyze, and disseminate data as appropriate;

   e. Operation of all DEA programs associated with drug law enforcement officials of foreign countries;

   f. Provide scientific and technical training and research and other support services that enhance the DEA's overall mission;

   g. Liaison with the United Nations, Interpol, and other organizations on matters relating to international narcotic control programs; and

   h. Coordination and cooperation with other federal, state, and local agencies, as well as foreign governments, in programs designed to reduce the illicit availability of abused drugs on the U.S. market through noninterdiction methods, such as crop eradication, crop substitution, and training of foreign officials against drug abuse.

SECTION II - THREAT

1. The spectrum of threat to the DEA's ADP environment is as diverse as the threat to the DEA's other operations. The criminal element (including drug traffickers and those involved in criminal activities peripheral to drug-related matters) has a deep and abiding interest in both obtaining the DEA's sensitive information and denying the DEA access to that information. Casual hackers and others with questionable intentions may also attempt to enter ADP systems, electronically, out of curiosity or malice. Such entries often result in the alteration, destruction, or compromise of data resident in these systems and the possible denial of the use of the systems to legitimate users.

2. There have been cases of disgruntled federal employees, with legitimate access to computer files, who have caused serious harm before the damage is noticed. Also, cleaning crews in many commercial buildings routinely have access to office spaces during and after duty hours. In this case, when computer terminals are left activated or unattended and when sensitive hard copy material is not properly destroyed, an opportunity exists for an unauthorized person to access the system.

3. Moreover, phone tapping and/or bugging of offices and homes of persons involved in law enforcement activities have been reported. In many commercial buildings, the telephone closet and conduit systems are accessible to unauthorized persons because of their central location in maintenance corridors or basements. As most ADP communications use the commercial telephone system, this vulnerability may allow the adversary considerable insight into the activities, involvements, and concerns of DEA personnel.

4. The telephone threat becomes all-pervasive in the DEA's overseas operations, where the host nation's government controls all telephone service into and within the country. In many countries where drug kingpins wield a great deal of power and influence, there are officials at all levels who are influenced directly or indirectly by the politics of contraband.

5. Additional modes of communication may also be compromised in overseas facilities because of the presence of local nationals in many U.S. buildings, including embassies and consulates. In drug-exporting countries, many local national employees may have family or other ties with narcotics traffickers that would give them the incentive to use their positions to acquire information that could be used to damage operations and persons involved in interdiction and eradication.

6. Additionally, all computer systems that are connected in any way to the outside world are susceptible to malicious codes (e.g., computer viruses). Any system with a dial-in/dial-out capability is vulnerable, especially those computers that are linked to commercial networks and electronic mail systems or that communicate with on-line bulletin boards. Other vulnerable systems include those which use software that is loaned, borrowed, or acquired outside of the normal government procurement channels (including public domain software, freeware, and software downloaded from bulletin boards). Disks brought in from outside official channels can convey all sorts of malicious code embedded into the software. Past instances of malicious codes have ranged from the benign (sending a Christmas greeting) to the malevolent (destroying data) and can be unwittingly transmitted by users from one system or stand-alone unit to another via ordinary but "infected" software.

Personal computers (PCs) with internal hard disk units are particularly vulnerable to this transmission of code. While it is recognized that even officially procured software can be "infected," it has the least probability of being so.

7. Although all of the threat listed in this section does not apply to the DEA's ADP support systems, the operational environment in which DEA agents perform investigations and undercover operations requires an awareness of all threat. With agents working out of their homes, cars, and other diverse locations, the possibility of compromise of sensitive information proportionately increases with the element of risk.

SECTION III - FINDINGS AND RECOMMENDATIONS

PART I - DEPARTMENT OF JUSTICE

1. INTEGRITY AND ISOLATION

a. Finding:

Most users of the JDC-W, including the DEA, access the systems by remote means. Access to the DoJ/DEA mainframe is through a dedicated Comten 3690 front-end processor on dedicated lines. There is dial-in capability to the JDC-W, but no dial-in user is permitted access to the DEA mainframe. The software that resides in these Comten systems has no audit capability other than controlling a remote user's access to a particular mainframe. No individual user identification or authentication takes place in the Comten. If a user has access to a remote terminal, he or she can access the system on a dedicated line, be acknowledged as a legitimate user, and be passed on to the mainframe system for additional processing. On the dial-in Comten, the user must know the phone number and can then dial in and be presented with a "Ready For Logon" prompt. The user must identify the system and application to which he wishes to connect. The Comten then ports the user to the proper system. Users with terminals and modems can use this method of access from anywhere, including their homes. A request for the DEA/DoJ mainframe and application would not be recognized.

Recommendation:

The DEA system should remain inaccessible to the Comten dial-in processor. As future upgrades are contemplated, some form of call-back modem capability should be implemented on the dial-in system. Although not a cure-all for dial-in security, it does provide a measure of protection and identification not now available. As software upgrades are made to the Comten operating system, some form of Personnel Identification Number (PIN) and auditing capability could be implemented on the system. There are also other programs, such as the Low Cost Authentication and Encryption Device (LEAD), which may also fit nicely into the DoJ's future plans.

b. Finding:

The JDC-W stores, maintains, and processes all DEA information on a dedicated IBM 3090-400E mainframe computer. This system also possesses its own dedicated peripheral devices for the DEA mission. The current operating system is the IBM MVS/XA, Release 2.2. The system employs the "Top Secret" security subsystem software, Release 4.2. The DEA users perform most of their system functions with the Model 204 (M204) database management system and the Guardian security subsystem. There is also system interaction and batch processing capability through the use of the Time Share Option (TSO) and Customer Information Control System (CICS). All system hard-copy output is remotely printed at DEA facilities or printed and packaged at JDC-W and couriered to a DEA focal point for distribution unless a specific authorized user calls ahead and makes arrangements for pickup. This process allows the DEA to control the destruction of system output when it is no longer required. The backup to this system is a dedicated AMDAHL 5870 mainframe processor which had served as the primary mainframe processor before the JDC-W moved to the new facility in Rockville, MD. The complex is equipped with a backup battery power supply which is good for approximately one-half hour. This allows sufficient time for an orderly shutdown to avoid loss of data and equipment damage.

Recommendation:

The JDC-W should continue operating under the same configuration. The DEA's information is sensitive enough for their isolation on this system to be necessary. The contingency plan, as required by DoJ 2640.2B, should be completed and tested periodically to ensure it works.

2. CONTROLLED ACCESS AND IDENTIFICATION

a. Finding:

When discussing controlled access in relation to automated information systems security, the discussion is confined to automated computer features and procedures which restrict a user's logical access to the system. Physical security to the facility and personnel security in the form of background checks, etc., are not included as part of the assessment. Although these types of security disciplines are important, they should not be part of an information systems security assessment process but should be policy concerns of the DoJ. The automated access control to the DEA system is currently being handled in two fashions. "Top Secret," Release 4.2, subsystem software controls access to all DEA system functions with the exception of the M204 and CICS. Currently, the DEA users employ the Guardian security subsystem for additional access control to CICS functions. DEA systems programmers install and maintain the Guardian software and also determine the capabilities and rules they wish implemented on this subsystem. This is possible because Guardian does not execute as a privileged program on the system; therefore, the DEA does not need system manager privileges to maintain this system. "Top Secret," Release 3.0, was evaluated as a C2 level of trust subsystem by the National Computer Security Center (NCSC). Release 4.2 is believed to contain at least the same features and probably a few enhancements which would permit it to maintain its C2 rating although it has not been officially evaluated. If implemented properly on the DoJ/DEA system, this software security subsystem can more than adequately protect all DEA information resources.. At present, however, "Top Secret" is not fully implemented on this system. The M204 still operates outside the "Top Secret" purview and Guardian is being implemented for access protection to M204 resources. The Guardian subsystem was not looked at during this assessment because it is under the control of DEA users and only the JDC-W complex was assessed

Recommendation:

According to DoJ 2640.2B, the ADP Facility Security Officer is responsible for implementing the automated security features and procedures of the system. The users are responsible for adhering to those rules to protect their information. In short, the JDC-W provides the capability and the rules for protecting access to the information. "Top Secret" will provide the necessary security mechanisms to protect DEA's information even to a classified level. The JDC-W needs to place "Top Secret" at the top of the system root directory and only permit access to system applications through "Top Secret," including M204 access. Since the M204 is a database management system which interfaces with MVS operating systems, "Top Secret" can control access to the M204. The current version of the M204 has an interface which permits the M204 to run under the "Top Secret" subsystem. M204 access controls and privileges remain enforceable by the M204, under control of the DEA, once "Top Secret" access is satisfied.

b. **Finding:**

The JDC-W does not require individual accounts, even within the rules currently specified by "Top Secret." However, the JDC-W permits group accounts to exist on the system when requested by the user organization. The DEA ADP managers do not allow group accounts because this would negate the effectiveness of auditing.

Recommendation:

Internal policy guidelines should be established to ensure adherence to password management guidelines required by DoJ 2640.2B (National Bureau of Standards (NBS) Federal Information Processing System (FIPS) Publication 112, "Password Usage," dated May 30, 1985). A process to delete unauthorized accounts in a timely manner when employees are transferred or leave the organization needs to be implemented. The JDC-W should also remove group accounts and only allow individual accounts and passwords.

c. **Finding:**

In reviewing the "Top Secret" rules specified for users at the JDC-W, it was clear that no time-out feature is implemented on user accounts, except for the DEA PROFILE Management System which provides a 10-minute time-out feature on the M204 and CICS. However, the time-out feature has not been implemented by the JDC-W and the DEA to its full capabilities. Since many reports of malicious attacks on computer systems indicate they are perpetrated by insiders, usually in the form of a disgruntled employee, not implementing this feature in "Top Secret" leaves the JDC-W complex of systems vulnerable. The reason this feature is present in security subsystems is because it offers adequate protection. If a user has not actively communicated with the system within a certain period of time (usually set at 10 minutes), the system automatically logs the user off. This prevents users from logging on and leaving their terminals unattended for long periods of time.

Recommendation:

The time-out feature should be implemented by the DEA and the JDC-W to reduce the vulnerability of unauthorized access.

PART II - DRUG ENFORCEMENT ADMINISTRATION

1. OVERALL

Finding:

The DEA's current ADP security policy is based on Chapter 82, Subchapter 825, in the DEA Internal Security Manual (effective 1 January 1988). This policy, as written, appears to cover most of the very critical areas of ADP operations.

Recommendation:

This policy should be adhered to and enforced by all persons dealing with DEA ADP operations.

2. AUDIT TRAIL

Finding:

The Guardian application system audit trail is reviewed by DEA personnel and formal guidance containing how it is to be reviewed, when it needs to be reviewed, or what the procedures are for reporting and follow-up of found discrepancies have been promulgated through the Office of Security Programs.

Recommendation:

Audit trail records should be reviewed regularly (at least on a weekly basis, if not daily) with discrepancies documented, researched, and followed up immediately. Discrepancies should also cover attempts to access closed files. As an additional suggestion, the initial audit trail should not include successful logons--this would make a daily evaluation very easy to examine for attempts, etc.

3. USER SECURITY AWARENESS

Finding:

The technology explosion has resulted in many users not being aware of the vulnerabilities of the system (especially user-related vulnerabilities).

Recommendation:

The DEA has done well with its information and communications security (COMSEC) awareness program for all incoming personnel. Incorporating this into the DEA's Quantico, VA, Training Academy curriculum would train new DEA agent personnel in good computer and INFOSEC habits. Equivalent training should be incorporated into onboard employee training sessions, and updated and repeated as necessary to ensure that the DEA work force is knowledgeable about INFOSEC.

SECTION IV - CONCLUSIONS

1. A secure system starts with a sound security policy. The DoJ has such a policy in DoJ 2640.2B. The policy implements the national requirements and clearly delineates who is responsible for implementing this policy at the JDC-W complex. The JDC-W complex is new and considered state of the art in computing processing capabilities. The systems at JDC-W have the hardware configurations and software systems to provide DoJ users and the DEA with reliable, secure processing capability.

2. As the JDC-W and the users of the JDC-W, including the DEA, implement and follow the security procedures and automated features that are available at the complex, the process of certification and recertification becomes a routine task allowing new and future security requirements to fit into the system with little effort.

QUESTIONS SUBMITTED BY CONGRESSMAN EARLY

Attorney General

War on Drugs

QUESTION: Your statement mentions that the United Nations Convention Against Illicit Narcotics signed by more than 80 countries has some real law enforcement teeth. What law enforcement teeth does it provide?

ANSWER: The United Nations Convention established the norms for criminalizing the production, cultivation, and trafficking of illicit drugs. In addition, it contains a number of provisions designed to curtail the diversion of 12 precursor and essential chemicals. The Convention obligates all participating nations to criminalize each link in the drug trafficking chain -- from the production of illicit drugs to the laundering of drug profits. It mandates unprecedented cooperation in the investigation and prosecution of drug-trafficking offenses and facilitates the extradition of traffickers.

QUESTION: What agreements reached at the drug summit in Cartegena will have a positive impact on the Department's efforts in the "War on Drugs"?

ANSWER: The Cartegena summit reaffirmed the willingness of our government and the governments of Peru, Bolivia and Colombia, to fight a comprehensive battle against drug trafficking, attaching all facets of the drug trade.

The agreement we reached reaffirmed interdiction as an essential element of the "War on Drugs" and pledged increased interdiction efforts on the part of all governments involved. In addition, the agreements call on each government to devote more resources to combatting drug trafficking, including the active participation of each nation's military. The United States offered to provide equipment and training to its Andean partners. All four countries agreed to increase information sharing and enhance cooperation in intelligence operations.

QUESTION: It has been a little more than a year since the enactment of the Anti-Drug Abuse Act of 1988. What impact has this legislation had on the problem of drug enforcement?

ANSWER: By incorporating many key legislative initiatives into one law, the Anti-Drug Abuse Act of 1988 has directly benefited Federal drug law enforcement agencies and indirectly enhanced drug law enforcement operations by eliminating or modifying obstacles that would prevent or hinder such operations. Examples of these key initiatives include the following:

Chemical diversion and trafficking -- This portion of the bill has enabled the regulation of the distribution of selected precursor and essential chemicals used to clandestinely manufacture amphetamine, methamphetamine, LSD, heroin, and cocaine.

Overseas benefits -- DEA personnel serving overseas have been authorized the same benefits available to Department of State personnel, thus enhancing their overall effectiveness.

Foreign language bonus -- Employees who make substantial use of a foreign language in the performance of their official duties are eligible for bonuses of up to 25 percent of their base pay.

Transfer of financial records -- Financial records may be transferred to the Attorney General when they are needed to pursue investigations of criminal law violations.

Marijuana plant counts -- Mandatory minimum penalties can now be applied to specified marijuana plant counts as well as specified weights.

FAA regulations -- The Federal Aviation Administration (FAA) has provided assistance to law enforcement agencies in the enforcement of controlled substances (e.g., by substantially modifying regulations concerning the recordation and registration of aircraft.)

Pakistan -- Foreign assistance available to Pakistan has been conditioned on their destruction of illicit laboratories and their prosecution of laboratory owners and operators.

Coca herbicide -- The Department of State is funding the testing and use of herbicides for aerial eradication of coca. (Testing is underway in Peru.)

Foreign forfeitures -- Transfer of forfeited property or proceeds has been made possible for foreign countries that participate in the seizure of drug-related assets.

Crack penalties -- Mandatory minimum penalties have been created for crack possession.

Civil Air Patrol -- The United States Air Force may now issue regulations ensuring that the Civil Air Patrol has an integral role in drug interdiction and eradication activities.

Increase in public safety officer benefit -- The death benefit payable to beneficiaries of officers killed in the line of duty has been increased from $50,000 to $100,000.

Military assistance -- This portion of the bill has enabled drug producing and transiting countries to use Foreign Assistance Act funds to procure weapons and ammunition for use in narcotics control, eradication, and interdiction.

Organized Crime Drug Enforcement Task Forces -- The Act centralized resources to coordinate the investigation and prosecution of OCDE cases. These cases are often the most highly sophisticated and diversified criminal drug-related and money-laundering cases.

Anti-Drug Abuse State and Local Grants -- The grant program has provided an impetus for State and local drug control officials to work closely together to identify drug control problems and devise strategies to target available resources to ensure the maximum impact on drug trafficking and abuse. The Anti-Drug Abuse Act of 1988 permitted significant expansion of drug control activities. The formula grants are being used for a variety of programs, including demand reduction, crime prevention, organized and white collar crime, street sales programs and many others. However, the largest percentage of funding (nearly 38 percent) is being used for the implementation of multijurisdictional task forces, which are critical to effective drug control efforts. The 1990 discretionary program will focus on areas such as drug testing, street level enforcement, drug user accountability, alternative sentencing, demand reduction, and information systems. Significant efforts are being undertaken to ensure that the programs funded with these resources are carefully evaluated.

Additionally, in creating the Office of National Drug Control Policy (ONDCP), the Act envisioned a central entity to coördinate the Government's drug supply and demand reduction activities. Furthermore, the National Drug Control Strategy has been prepared as a document that contains a comprehensive strategy of the current thinking regarding the manner in which our nation should attack the drug problem. This "truly national plan" has thus served to crystallize the thinking of a broad array of Federal, State and local officials, experts in the field of drug prevention, treatment, and enforcement, as well as hundreds of concerned and public-spirited citizens.

QUESTION: What impact has it had on the Department's resources?

ANSWER: With respect to the investigative agencies of the Department, Title X -- Supplemental Appropriations -- of the Anti-Drug Abuse Act of 1988 provided additional 1989 funding for limited growth of the FBI and the DEA into highly select locations where it was determined that the resources would have the greatest effect on major drug trafficking organizations.

The FBI was provided $15 million that supported an additional 279 positions (including 120 agents). These resources continued to implement the FBI's Drug Program which focuses on destroying a greater portion of the 450 major drug trafficking organizations identified by the intelligence community.

Similarly, $26.2 million was appropriated for the INS to continue to provide an important contribution in the coordinated strategy to suppress the supply of illegal drugs entering this country by increasing its personnel commitment to the Inspections program as well as its Border Patrol Staff.

The $30 million enhancement for DEA provided resources for 221 positions (including 70 agents) and aircraft, pilots and airwing support for its supply reduction operations in South America to reduce the flow of drugs to our country. The funds provided also allowed DEA to staff the El Paso Intelligence Center adequately and enabled it to focus on the international aspects of drug trafficking by serving as the all source tactical drug interdiction intelligence center.

The funds provided also enabled the Department to increase its asset seizure and forfeiture activities. DEA increased the number of Asset Removal Teams which have proven successful in conducting thorough financial investigations.

Additional funds for the United States Attorneys were used to increase the number of attorneys dedicated to forfeiture cases thereby resulting in increased processing of judicial forfeitures.

Funds received in the new law also provided for important post-arrest programs such as prosecuting attorneys, the courts, and the prison system, by directing new resources to ensure that those arrested for drug crimes would be prosecuted and if convicted, would serve stiff sentences. With the $69 million enhancement for the United States Attorneys, new assistant United States Attorneys are narrowing the existing gap between arrests and prosecutions by prosecuting an unprecedented number of significant drug traffickers.

The $16.4 million for the United States Marshals Service provided increases in the areas of Judicial Security and custody of prisoners. The $95.6 million for the Bureau of Prisons (BOP) allowed for the construction of an additional Federal Correctional Institution, expansion of four existing facilities, the acquisition of surplus facilities, as well as a Northeast detention facility. The $16.4 million for the Support of United States Prisoners (SUSP) provided increases for the care and housing of United States prisoners in non-Federal institutions.

Finally, with the additional funding made available to the Office of Justice Programs for the Drug Control and System Improvement Grant Program, State and local law enforcement efforts are also being enhanced. Through this grant program, the criminal justice system will be vastly improved by developing programs to assist multijurisdictional and multi-State organizations in support of National drug control priorities, thereby providing an assault on all fronts in the "War on Drugs."

Drug-Related Homicides

QUESTION: The number of drug-related homicides continues to escalate. How is the Department responding to this crisis, and what initiatives does the Department plan to take to address this problem?

ANSWER: On May 15, 1989, President Bush announced a proposal to amend the 1990 budget by providing an additional $1.189 billion to further address violent crimes.

Two new violations, police killings and drug-related homicides expanded the Violent Crimes subprogram in 1989. A new penalty provision in Title 21 now makes it possible to impose the death penalty for drug-related killings of Federal officers, State or local law enforcement personnel or for local homicides which meet the drug distribution threshold.

In the area of drug-related homicides, it is not the intention of the Federal law enforcement agencies to interject themselves into matters which can be or should be investigated, prosecuted, or otherwise resolved by State and local law enforcement entities. It is our intention to use this new jurisdiction to assist local law enforcement in a united front against drug-related subjects who kill as part of their activities and to seek significant penalties whenever possible.

A number of FBI and DEA field offices are currently conducting investigations in cities where drug-related homicides are a major crime problem. These long-term cases are being worked jointly with State and local law enforcement agencies.

The Federal law enforcement agencies are involved in the task force concept to investigate violent crimes in large cities throughout the United States including Boston, New York, Washington, D.C., Richmond, Miami, Pittsburgh, Chicago, Los Angeles, and San Francisco. The task force approach to violent crimes has significantly improved the intelligence base for law enforcement agencies to address youth gang violence. The joint effort by Federal, State and local law enforcement agencies enables law enforcement to coordinate efforts to address crime problems of mutual interest.

Youth Gangs

QUESTION: Youth gang involvement in drug-related violence has also increased substantially. What action is the Department taking to address this problem?

ANSWER: Youth street gangs are major traffickers in crack cocaine and heroin at the street level. Their role, combined with the high propensity for violence exhibited by the gangs, were the chief reasons that DEA established three centrally-managed Special Enforcement Operations targeting gangs. In addition, DEA's Los Angeles Division heads the multi-agency task force focusing on gangs in the Los Angeles area -- one of the areas where the presence of gangs is strongest. In addition, youth gang involvement in drug-related violence is being investigated by Federal law enforcement task forces where appropriate and any violation of Federal law is specifically being addressed by the FBI.

High Intensity Drug Trafficking Areas

QUESTION: The National Drug Strategy calls for the designation of "High Intensity Drug Trafficking Areas." How many areas have been designated thus far. And what results have we seen from this initiative?

ANSWER: Currently, the Office of National Drug Control Policy has designated five areas as High Intensity Drug Trafficking Areas. These are: New York, Miami, Los Angeles, Houston, and the Southwest Border.

The initiative is still relatively new and its results relating to the impact on drug trafficking have not yet been fully realized. The Anti-Drug Abuse Act of 1988 requires that the Director of the ONDCP report to Congress by March 1, 1991, on the effectiveness of this initiative. We have seen a substantial resource enhancement and this will further coordination and cooperation between Federal, State and local law enforcement agencies in targeting drug trafficking networks in these areas.

Precursor Chemicals

QUESTION: It appears that there is increasing concern regarding the availability of precursor chemicals and the implications for the production of illicit drugs. Does the Department view this as a serious problem?

ANSWER: The producers of cocaine rely heavily on the precursor and essential chemicals imported from other countries in processing coca leaves into refined cocaine. The diversion of these essential and precursor chemicals is viewed by the Department as a serious problem.

The Chemical Diversion and Trafficking Act was enacted as part of the Anti-Drug Abuse Act of 1988. The intent of this legislation is to control the sale and distribution of precursor and essential chemicals to prevent their availability to clandestine laboratory operations worldwide. The DEA has responsibility for chemical control through its Diversion Control program. The 1991 budget request for DEA includes an additional 33 positions (28 diversion investigators) and $2 million to enhance the Diversion Control program. These positions will support the implementation of the Chemical Diversion and Trafficking Act.

QUESTION: Has the Department taken a position on the call for more restrictions and/or controls on the shipment of precursor chemicals?

ANSWER: The Chemical Diversion and Trafficking Act provides an effective tool against the diversion of essential and precursor chemicals by making the diversion of chemicals from the United States more difficult; however, as exports from the United States decrease, the exports of targeted chemicals from Europe increase dramatically.

To counter, the U.N. International Narcotics Control Board and DEA will be hosting a conference for European and Latin American countries which will sensitize chemical source and destination countries to the problems of chemical diversion and trafficking.

In addition, the Department and the International Narcotics Control Board are encouraging countries participating in the International Chemical Conference to ratify the new U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances which contains a number of pro- visions designed to curtail the diversion of 12 precursor and essential chemicals. Only ten countries have ratified the U.N. Convention to date: the United States, the Bahamas, China, Nigeria, Senegal, India, East Germany, Chile, Ecuador and Bahrain.

The Department is also assisting the Organization of American States in drafting chemical control legislation to be used as a model in developing regulations in member countries.

Jail Space

QUESTION: Your statement indicates that there appears to be no end in sight to competing need for jail space by Federal, State, and local governments? To what extent has the severity of this problem increased and are we making any headway at all?

ANSWER: In just four years, the USMS has seen its average daily prisoner population soar 80 percent from 7,216 as of January, 1986 to 12,953 as of January 1990. As the USMS's daily population has grown, so has the average stay and the total number of contract jail days. The pressure continues to build to find adequate bedspace for Federal prisoners in Federal court cities.

BOP has steadily increased its assistance to the USMS in housing these prisoners. There are approximately 6,000 unsentenced detainees in Federal prison facilities with a rated capacity of approximately 3,300. The USMS has requested that BOP expand its assistance in housing Federal detainees by constructing additional Federal Detention Centers and establishing or expanding jail units at existing Federal prisons. BOP's 1991 budget includes $96.6 million to assist the USMS by expanding Federal detainee bedspace by 1,250. The attached table provides the BOP current and planned detention assistance. (Attachment A)

Progress has also been made in the area of increasing cooperation between the BOP, INS, and the USMS. This past fall, a top level Detention Group was established to idetify mutual detention issues and problems and to work together to develop solutions. BOP, INS, and USMS are also working together to develop a Five Year Detention Plan that will call for the funding to support the construction of new Federal facilities from 1992 to 1996. In addition, the USMS is working with the Administrative Office of the United States Courts and the General Services Administration to develop a Federal Law Enforcement Center prototype which would follow local government centers and provide space for detention, courts, and United States Attorneys.

As a shorter-term response to the detention space crisis, the USMS is currently operating a Northeast Detention Initiative that involves the daily assessment and allocation of available bedspace in BOP facilities in the Northeast.

QUESTION: The budget request indicates that BOP plans to acquire surplus military facilities for use as minimum security facilities. Would you summarize the Department's plans in this area. What arrangements or procedures have been established with the Department of Defense to facilitate this initiative?

ANSWER: Historically, BOP has worked closely with the Department of Defense to identify suitable locations for correctional facilities on military bases. These efforts have resulted in establishment of three minimum security Federal Prison Camps on deactivated bases, and 12 on active bases. An additional ten correctional facilities, ranging from minimum to high security, have been constructed on former military property. (See Attachment B.)

Recently, BOP was included as a member of the Commission on Alternative Utilization of Military Facilities established by the President. The Commission was established to review unused or underutilized Department of Defense facilities that could be used or renovated to serve as a minimum security prisons and for other purposes.

The Department of Defense has recently provided the Commission with over 5,000 documents identifying buildings and land holdings throughout the country. The Bureau is evaluating the documents to determine if sites located in areas targeted for expansion meet the Bureau's habitability and life safety requirements.

Once the evaluation is complete, the Bureau plans to work with the individual military services to determine if selected property is available and suitable for use as a correctional facility.

On those bases selected for conversion, the Bureau will closely coordinate with local elected officials and base personnel to develop appropriate environmental studies before making final decision to proceed.

In addition to the ongoing relationship that has been established over the years, the BOP plans to utilize its membership on the Commission as a vehicle to further identify and establish additional minimum security Federal Prison Camps on military bases.

Requested Increases

QUESTION: The budget request includes almost $92 million to improve staffing at existing Federal correctional facilities. What problem areas will be addressed with this increase?

ANSWER: Operating BOP at a level approaching 70 percent over its design capacity without commensurate staffing increases has placed severe demands on staff. To address this situation, a plan as been set in motion to increase staffing levels at existing institutions with a goal of achieving a staff to inmate ratio of 1:3 by 1991. The 1991 budget includes 4,000 positions for this purpose. Within this increase, special emphasis will be given to:

- Health Services. Current staffing levels are not sufficient to meet the increased demand for medical services brought about by the rapid inmate population growth. With projected continued growth in the population, medical services staffing will be increased system-wide to provide adequate levels of medical care. In addition, resources are requested to construct a long-term nursing facility to address specific care requirements of an aging population.

- Drug Treatment. Currently, approximately 50 percent of the inmate population is incarcerated for drug offenses and the number of offenders with serious drug abuse histories is even greater. The recent anti-drug abuse statutes assure that these numbers will continue to grow and that offenders will be incarcerated for significantly longer periods of time. To enhance program capabilities for successful intervention, the Bureau will add specialized staff to implement a three-part treatment system consisting of eight to ten "intensive" treatment programs for approximately 1,000 beds; a larger "low-intensity" educational program for approximately 2,000 inmates; and a network of pre-release aftercare treatment contracts.

- Inmate Literacy. Approximately 15,000 inmates in BOP do not have a graduate equivalency degree (GED), which is essentially the standard for literacy in the workplace. Most of these inmates are not enrolled in a GED program. Of 7,300 offenders withdrawing from the Adult Basic Education Program is 1988, most will probably be released without basic literacy skills. With the additional staff and resources requested to increase the mandatory literacy period from 90 to 120 days, we estimate an additional 5,000 literacy completions will be generated annually. If an ex-offender cannot compete effectively in the job market, he/she more than likely will return to life of crime.

- Human Resources. With the Federal inmate population and the number of prison facilities projected to nearly double by the end of 1995, the recruiting, staffing, staff training and development requirements for the Bureau are truly staggering. The Bureau must begin now to acquire the staff resources to plan and implement the recruiting, training and staff development systems that will insure the existence of an ample pool of experienced and competent personnel to meet the substantial managerial and staffing demands resulting from this rapid growth.

QUESTION: The budget request again includes a substantial number of new positions for the Department's law enforcement agencies (DEA, FBI). What impact is this having on the Department's training program, particularly with regards to capacity and quality?

ANSWER: DEA anticipates training 651 students in its basic agent training course in 1991. This includes the new special agents requested in the 1991 budget and replacements for agents lost to attrition. Approximately 15 basic agent classes are planned to train this number of new agents.

The training requirement will have a decided impact on the DEA staff and on the shared facilities at the FBI Academy at Quantico; however, the resources are available to provide the necessary training. FBI Academy facilities will be at 100 percent of capacity and basic agent training will continue to be the training priority. As a result, in-service and State and local training courses may suffer. Although the facilities at Quantico will be used for these programs as available, classes will most likely be taught off-site or in the field. DEA is investigating the possibility of converting Camp Upshur at Quantico for use in State and local in-service training.

An analysis of FBI general law enforcement training responsibilities through 1995 reflects that on an average, a minimum of 98 percent of FBI Academy facilities will be required, on an annual basis, to meet FBI training obligations. Available demographic data indicates that by 1995, 75 percent of the FBI's special agent complement will have 11 years or less of experience. During the period from 1991 to 1995, 37 percent of the FBI agent complement will average five years or less of experience. Consequently, if the FBI is to replace its special agent workforce during a period of heavy attrition (1991 - 1995), a substantial commitment of FBI training resources are necessary. In fact, it is estimated that by 1992, 94 percent of classroom space must be dedicated to FBI training programs. Efforts have been initiated to examine alternatives to meet the projected training requirements.

Adjustments to Base Funding

QUESTION: What is the Department's cost of the January 1990 regular Government and Senior Executive Service (SES) pay raises?

ANSWER: The Department has estimated the 1990 cost of the 3.6-percent civilian pay raise to be $99,453,000. This total pay increase amount is absorbed in 1990. In the 1991 request, the Department is requesting a total increase of $131,964,000, which is the amount required for full-year funding.

Further, the Department has costed the 1990 SES pay raise at $979,638. Increases of $1,220,154 for the 1990 Executive Level salary increases are estimated. In 1990, the Department is required to absorb both these amounts.

QUESTION: What is the amount of sequestration for the Department?

ANSWER: The sequestration as applied to our 1990 available funding level is $82,628,000. Of this amount, a total of $8,406,000 reflects a limitation on program levels and/or obligations.

QUESTION: How is the Department absorbing these costs? What impact is this having on your agencies and their programs?

ANSWER: Generally, all organizations took cuts in discretionary areas such as travel, training and equipment, and planned to delay hiring of some personnel. However, both the United States Attorneys and the FBI have taken substantial cuts in staff. The United States Attorneys will be unable to fund 225 of the planned 800 new workyears that were to be devoted to violent crime work. Also, the FBI will cut back 109 positions from the 454 originally planned to work financial institution fraud cases. Both the United States Attorneys and the FBI believe that it is better to sustain these reductions to new initiatives rather than erode base operations even further. Even with these cuts, more reductions in other FBI programs, including staff, equipment and ADP items are required. Department organizations plan to reduce costs by:

- Deferring or eliminating equipment and systems purchases;
- Tightening up prompt payment procedures to minimize payment penalties;
- Deferring non-critical renovations and repairs;
- Limiting administrative and other travel to essential travel only;
- Tightening controls in expendable supplies and use of copying machines;
- Curtailing administrative conferences and using teleconferences instead, where feasible;
- Delaying hiring; and,
- Reducing overtime costs where feasible.

QUESTION: Did the Department recoup all or any part of the sequester in its 1991 base?

ANSWER: The 1990 full-year sequester is not restored in 1991 except for the following organizations: Office of the Inspector General, USMS, SUSP, DEA, and Border Patrol (INS).

1991 Vacancies

QUESTION: The budget request proposes an increase of 6,615 positions, for a total of 80,621 positions Department-wide. How many of the 80,621 positions will be vacant in 1991? How many will be unfunded with the budget request before us?

ANSWER: Based on the historical, normal turnover rate of four to six percent for the Department, it is anticipated that of the 80,621 positions, 4,837 will be vacant at the end of 1991. There is an approximate 50-percent lapse rate in bringing new employees on-board once the budget is enacted and security clearance of new employees are approved; however, all new positions are currently planned to be filled at the end of 1991.

It is possible that circumstances beyond the Department's control may result in a higher vacancy rate. For example, if pay recommendations from the National Advisory Commission on Law Enforcement are enacted or a sequester is required in 1991, it is likely that the Department will be required to absorb these costs. In that event, additional vacancies would be expected.

Attachment A

Bureau of Prisons Detention Assistance

	Estimated Activation	Population	Capacity	Percent of Rated Capacity
Federal Detention Centers				
OPERATIONAL				
New York		832	473	176%
Chicago		650	363	179%
San Diego		783	546	143%
Los Angeles		900	544	165%
Otisville		870	438	199%
Miami		1,125	424	265%
Subtotal, Operational		5,160	2,788	185%
FUNDED (Site Determination, In Design, or under construction)				
Puerto Rico	9/91		500	
Miami	6/92		1,000	
Brooklyn	6/93		750	
3 unspecified MDC's	7/93		1,772	
Subtotal, Funded			4,022	
Detention Units				
OPERATIONAL				
Atlanta		128	75	171%
Memphis		29	8	363%
Milan		41	46	89%
Phoenix		33	66	50%
Danbury		104	15	693%
Tucson		241	102	236%
Pleasanton		129	89	145%
Englewood		119	83	143%
Subtotal, Operational		824	484	170%
FUNDED (Site Determination, In Design, or under construction)				
Tallahassee	7/91		150	
Fort Worth	12/90		150	
Fairton	10/91		150	
Milan	12/92		150	
Atlanta	6/92		150	
Subtotal, Funded			750	
FY 1991 PRESIDENT'S REQUEST				
Northeast	6/92		350	
Sheridan	6/92		150	
Leavenworth	6/92		150	
Butner	6/92		150	
Memphis	6/92		150	
El Reno	6/92		150	
Seagoville	6/92		150	
Subtotal, President's Request			1,250	

Attachment B

BOP FACILITIES ON MILITARY BASES

Institution - Opened	Rated Capacity	Population 4-12-90
Facilities Located on Active and Inactive Military Bases:		
Big Spring, FPC - June 1979	746	767
Boron, FPC - May 1979	316	501
Duluth, FPC - October 1983	699	697
*Eglin, FPC - November 1962	480	887
*El Paso, FPC - June 1989	93	189
*Fort Gordon - Pennsylvania Inmates	71	135
*Fort Polk - Pennsylvania Inmates	165	109
*Homestead , FPC - April 1989	48	93
*Lompoc, FPC - April 1970	464	623
*Millington, FPC - February 1990	37	66
*Montgomery, FPC - September 1930	480	840
*Nellis, FPC - February 1990	63	88
*Pensacola, FPC November 1988	195	312
*Seymour Johnson, FPC - March 1989	153	145
*Tyndall, FPC - February 1988	60	116
Subtotal	4,070	5,568
Facilities Located on Former Military Property:		
Bastrop, FCI - 1979	472	795
Butner, FCI - 1976	427	783
El Reno, FCI - 1933	966	1,902
Guaynabo, MDC - under construction	750	0
Leavenworth, USP - 1906	988	1,955
Lompoc, USP - 1959	1,134	1,588
Miami, MDC - 1976	424	1,102
Petersburg, FCI - 1932	701	1,125
Pleasanton, FCI - 1974	440	704
Terminal Island, FCI, - 1938	462	1,163
Subtotal	6,764	11,117
Grand Total	10,834	16,685

*Located on active military bases.

QUESTIONS SUBMITTED BY CONGRESSMAN CARR

Attorney General

Telemarketing Fraud

QUESTION: In the 1990 Appropriations bill this Committee directed the Justice Department to prepare a report on telemarketing fraud. This report was to have been submitted to the Committee within six months of enactment of the bill. The bill was signed into law on November 21, 1989.

How are you progressing on the report? What are your initial findings? Even though you technically have until May to provide us with the report, will this Committee be able to receive your findings before that date?

Please comment on what the Department is doing in the area of telemarketing fraud.

ANSWER: As of April 17, 1990, all United States Attorneys' offices had been surveyed and provided responses. Of the 93 districts responding, 58 offices indicate they have handled cases or matters dealing with telemarketing fraud. The Department will share the results of its inquiries as soon as the data are analyzed. We will attempt to forward a completed report in advance of the May 21 deadline.

QUESTIONS SUBMITTED BY CONGRESSMAN KOLBE

Attorney General

QUESTION: You've requested increases for the Drug Enforcement Administration (DEA) and Immigration and Naturalization Service (INS) for new positions. Can you provide a breakdown on how many of these positions will be agents and how many will be support? Also, could you provide the total number of authorized positions and breakdown of agents to support positions for the INS, Federal Bureau of Investigation (FBI), Border Patrol and DEA? How many of these authorized positions are currently filled? Please provide a summary of where current vacancies are. If you received your full request for this year for these agencies how many positions would then be filled?

ANSWER: For 1991, the Department is requesting program increases of 304 positions for INS. Of these, 104 are for the Immigration Inspections program and 200 are for the Border Patrol program. The 104 immigration inspector positions are to provide for the replacement of temporary inspectors with permanent staff. The Border Patrol positions, 176 of which are Border Patrol agents and 24 of which are support positions, are requested to enhance the Patrol's drug interdiction efforts. In total, INS is requesting an increase of 280 agents and 24 support positions in 1991.

In 1990, INS's authorized force is 12,388 positions. Of these, 6,648 are agent positions (that is, Border Patrol agents, immigration inspectors and criminal investigators) and 5,740 are support positions. The Border Patrol program has an authorized force of 4,852 positions, of which 4,089 are agents and 763 are support.

INS currently has on board 6,492 agent and 4,931 support positions.

During 1990, the Border Patrol plans to hire 192 new agents. At the end of the year, we anticipate that 4,496 employees will be on board in that program, of which 3,865 will be agents and 631 support. Because of general absorptions required in 1990, the Border Patrol will be unable to fund 356 of its authorized positions. The majority of the 104 immigration inspector positions will be filled from the ranks of temporary inspectors currently on board.

In 1990, the FBI is authorized 9,542 agent and 11,594 support positions (including 557 fingerprint clerks, 7,740 general administrative, clerical and office services support, and 3,297 professional/technical support). The total ratio of 1.22 support for each agent reflects personnel at FBI Headquarters along with support assistance provided for State and local assistance, which are not directly field investigative related. Therefore, the ratio of agent to general support included is not indicative of field investigative operations. The FBI uses a general field agent to field general support ratio of .65 support to each agent which is more reflective of field requirements. Direct funding has been provided for 9,210 agent and 11,227 support workyears for 1990.

The 1991 request to Congress includes a net increase of 172 agent and 335 support positions. Direct funding has been requested for 9,108 agent and 11,106 support workyears in 1991.

The FBI's 1990 hiring plan is projecting 9,187 agent and 11,477 support workyears to be utilized in directly-funded functions. This 1990 projection is 23 agent workyears less than and 250 support workyears more than the appropriated workyear levels. The 1991 hiring plan is projecting that 9,119 agent and 11,085 support workyears will be utilized in directly-funded functions. This 1991 projection is 11 agent workyears more than and 21 support workyears less than the requested direct workyears to Congress.

The following chart shows the requested positions and vacancies for DEA.

Drug Enforcement Administration
Positions Levels 1989-1991

	Special Agents			Support			Total		
	Approp	Reimb	Total	Approp	Reimb	Total	Approp	Reimb	Total
1989 as enacted	2,945	24	2,969	2,951	6	2,957	5,896	30	5,926
1990 OCDE transfer	-596	596	...	-166	166	...	-762	762	...
1990 enhancements	162	60	222	111	15	126	273	75	348
1990 as enacted	2,511	680	3,191	2,896	187	3,083	5,407	867	6,274
1991 enhancements	408	93	501	297	33	330	705	126	831
1991 as requested	2,919	773	3,692	3,193	220	3,413	6,112	993	7,105

Distribution of Vacancies
(as of February 28, 1990)

	Special Agents	Support	Total
Headquarters	17	154	171
Domestic field	102	121	223
Foreign field	59	8	67
DEA laboratories	...	43	43
DEA airwing	14	16	30
El Paso Intell. Center	18	24	42
Total	210	366	576

QUESTIONS SUBMITTED BY CONGRESSMAN CONTE

Attorney General

Bankruptcy Investigation

QUESTION: I want to address a problem in my district. In 1985, a company in my district, the X-Tyal International Corporation, filed for bankruptcy. There was evidence of fraud and double billing on defense contracts, and the FBI investigated the case.

Last fall, the defense procurement fraud unit closed that case with no criminal prosecution, even though their investigators said the circumstances surrounding the X-Tyal bankruptcy were suspicious. They said the evidence was not sufficient to proceed.

The closing of that plant was highly damaging to the local community. Two hundred and thirty people lost their jobs. Some of those people have pursued the case and have released evidence obtained by the FBI.

That evidence raises real questions as to why the FBI dropped the case, and I wrote to the Assistant United States Attorney in January to request that the case be reopened and that additional resources be devoted to the investigation.

I don't expect you to be personally aware of this history, but I want you to be aware of the case. Frankly, the public image of your Department suffers in the eyes of

local citizens when credible evidence appears to have been brushed aside. That evidence has been published throughout my district.

I would like you to look into this case with a view toward reopening it. Would you get back to me as soon as possible?

ANSWER: In September 1985, the FBI and the United States Army's Criminal Investigation Command (CID) initiated a joint investigation of X-Tyal. The investigation focused on allegations of fraud relating to five defense contracts awarded to X-Tyal between 1982 and 1985 and X-Tyal's bankruptcy in June 1985. After reviewing the results of the investigation and considering the recommendations of the FBI and CID that prosecution was not warranted, the Department's Defense Procurement Fraud Unit declined prosecution of X-Tyal or any individuals.

The investigation identified potential criminal activity in the five areas described below. In each instance, for the reasons noted, insufficient evidence existed to initiate a criminal prosecution of X-Tyal.

1. X-Tyal submitted false progress payment claims by "double-billing" the same invoice to support multiple progress payment claims.

The investigation found only one instance of a double-billed progress payment. An X-Tyal bookkeeper attributed the double-billing to error. Upon discovery of the double-billing, the contract administrator suspected no fraud and elected to administratively offset the overpayment against future progress payments due. An audit of X-Tyal progress payments by the Defense Contract Audit Agency (DCAA), dated March 29, 1985, revealed no instances of fraud or suspected fraud.

2. X-Tyal misrepresented its financial condition to a Defense Contract Administration Services Management Area (DCASMA) office during the pre-award survey conducted in March 1985.

The pre-award survey was largely based upon a balance sheet and income statement provided to the DCASMA office by X-Tyal. Each had been prepared by an independent certified public accountant who stated that he believed each to be accurate. The investigation uncovered no additional evidence that demonstrated that the balance sheet and income statement ware false and that any X-Tyal officers or employees knew that they were false.

3. X-Tyal fraudulently transferred assets to Toloco Industries, a company controlled by the wife of X-Tyal's president, one month prior to X-Tyal's filing for bankruptcy.

The investigation determined that in May 1985, X-Tyal transferred $106,438 to Toloco Industries in payment for materials related to the manufacture of inflatable shelters. Two X-Tyal employees stated that they recall the shipment and that the material was legitimately required for the manufacture of the inflatable shelters. X-Tyal's bankruptcy trustee withdrew a claim that the $106,438 was a preferential transfer based upon a lack of evidence to substantiate that claim.

4. X-Tyal converted textiles valued at $800,000 that the United States had provided to X-Tyal for contract performance.

The investigation revealed that although a DCASMA industrial specialist had estimated a loss of textiles valued at $800,000, the actual extent of any loss could not be substantiated due to inadequate records. The investigation uncovered no evidence showing that X-Tyal or any of its officers or employees had removed any textiles from the X-Tyal premises or that they had improperly sold or otherwise disposed of any textiles.

5. X-Tyal paid inflated rates to Toloco Industries for the lease of a plant in North Adams, Massachusetts.

An initial suspicion that X-Tyal paid unreasonably high rental charges to Toloco Industries for its North Adams facility was not further substantiated by the investigation. A DCAA audit of rental costs claimed in connection with progress payments revealed no fraudulent activity.

THURSDAY, MARCH 8, 1990.

GENERAL LEGAL ACTIVITIES AND THE CIVIL LIBERTIES PUBLIC EDUCATION FUND

WITNESSES

DONALD B. AYER, DEPUTY ATTORNEY GENERAL

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

BUDGET REQUEST

Mr. SMITH. Continuing with our review of the Department of Justice, we will now hear testimony concerning the General Legal Activities appropriation and the Civil Liberties Public Education Fund. General Legal Activities requests $338,546,000 in fiscal year 1991, an increase of $43,657,000 over FY 1990 enacted amounts. $500,000,000 was appropriated in last year's appropriations bill for Japanese-American reparations for FY 1991. We will insert in the record at this point the fiscal year 1991 budget justifications for these accounts.

[The justifications follow:]

Department of Justice

General Legal Activities

Estimates for Fiscal Year 1991

Table of Contents

Item — Page Number

Appropriation Level Material

Summary Statement.......... 1
Justification of Proposed Changes in Appropriation Language.......... 3
Crosswalk of 1990 Changes.......... 5
Summary of Requirements.......... 6
Financial Analysis--Program Changes.......... 7
Summary of Permanent Positions by Category.......... 9
Summary of Change.......... 10
Justification of Adjustments to Base.......... 11
Summary of Requirements by Grade and Object Class.......... 15

Office of Solicitor General

Organization Chart.......... A-1
Summary of Requirements.......... A-2
Justification of Program and Performance.......... A-3
Detail of Permanent Positions by Category.......... A-5

Tax Division

Organization Chart.......... B-1
Crosswalk of 1989 Changes.......... B-2
Summary of Requirements.......... B-3
Summary of Resources by Program.......... B-4
Justification of Program and Performance. B-5
Financial Analysis--Program Changes.......... B-29
Priority Ranking.......... B-30
Detail of Permanent Positions by Category.......... B-31

Criminal Division

Organization Chart.......... C-1
Crosswalk of 1989 Changes.......... C-2
Summary of Requirements.......... C-3
Summary of Resources by Program.......... C-4
Justification of Program and Performance.......... C-5
Financial Analysis--Program Changes.......... C-39
Priority Ranking.......... C-40
Detail of Permanent Positions by Category.......... C-41

Civil Division

Organization Chart.......... D-1
Crosswalk of 1989 Changes.......... D-2
Summary of Requirements.......... D-3
Summary of Resources by Program.......... D-5
Justification of Program and Performance.......... D-6
Financial Analysis--Program Changes.......... D-32
Priority Ranking.......... D-31
Detail of Permanent Positions by Category.......... D-30

Department of Justice

General Legal Activities

Estimates for Fiscal Year 1991

Table of Contents

Item	Page Number
Land and Natural Resources Division	
Organization Chart	E-1
Crosswalk of 1989 Changes	E-2
Summary of Requirements	E-3
Summary of Resources by Program	E-4
Justification of Program and Performance	E-5
Financial Analysis--Program Changes	E-22
Priority Ranking	E-23
Detail of Permanent Positions by Category	E-24
Office of Legal Counsel	
Organization Chart	F-1
Summary of Requirements	F-2
Justification of Program and Performance	F-3
Detail of Permanent Positions by Category	F-6
Civil Rights Division	
Organization Chart	G-1
Crosswalk of 1989 Changes	G-2
Summary of Requirements	G-3
Summary of Resources by Program	G-4
Justification of Program and Performance	G-5
Financial Analysis--Program Changes	G-34
Priority Ranking	G-35
Detail of Permanent Positions by Category	G-36
INTERPOL--U.S. National Central Bureau	
Organization Chart	H-1
Crosswalk of 1989 Changes	H-2
Summary of Requirements	H-3
Justification of Program and Performance	H-4
Detail of Permanent Positions by Category	H-7
Legal Activities Office Automation	
Summary of Requirements	I-1
Justification of Program and Performance	I-2
Financial Analysis--Program Changes	I-5
Special Counsel for Discrimination	
Summary of Requirements	J-1
Justification of Program and Performance	J-2

Legal Activities

Salaries and expenses, General Legal Activities

Summary Statement

Fiscal Year 1991

The 1991 request for the General Legal Activities (GLA) appropriation totals $338,546,000; an increase of $28,437,000 over the 1991 base level. The enhancements reflect the Administration's continuing concern with increasing its prosecutive success in the fight against crime, protecting the public's interests in litigation involving the Federal Government, responding to the workload demands of recent legislation, and achieving improved management of Departmental resources.

Summary of General Legal Activities by Major Initiative

Civil Litigation - The Civil Division requests enhancements totaling 96 positions and $5,367,000 in 1991. This includes $3,590,000 for personnel costs associated with increased workload in the appellate, Federal programs, torts and commercial litigation areas. An additional $1,777,000 is requested for automated litigation support that is crucial to the Government's success in its largest and most complex civil litigation cases. About $3,419,000 or 64 percent of this request, supports litigation to combat financial institution fraud.

The Land and Natural Resources Division seeks an additional $5,926,000 and 34 positions for the enforcement of environmental laws and for protection of the Government's interest in the management of its natural resources. A significant increase in the number of cases -- particularly those involving environmental enforcement statutes -- is projected in 1991. The request includes $4,300,000 for automated litigation support required to successfully conclude the Division's most complex cases.

The Tax Division requests enhancements totaling $5,102,000. This includes $1,402,000 to provide sufficient resources to fund the Division's authorized workyear level. It also includes $3,700,000 for automated litigation support to permit the Division to more effectively organize and prepare document-intensive cases resulting from the IRS's large-case initiative.

The Civil Rights Division requests 16 positions and $1,744,000 to address Voting Section workload increases caused by an influx of Section 5 redistricting cases. In addition, $100,000 is requested for the purchase of a map plotter for analysis of voting redistricting decisions. An increase of $2,500,000 and 47 positions is also requested to address a significant workload increase resulting from the Fair Housing Amendments Act of 1988.

Criminal Prosecution - The Criminal Division seeks enhancements of 4 positions and $262,000 for workload associated with the conflict of interest and election fraud cases, and the independent counsel determinations conducted by the Public Integrity Section. The Tax Division requests an increase of $279,000 for prosecution of criminal tax cases. This includes $200,000 for automated litigation support and $79,000 for travel costs associated with financial institution fraud cases. For the Land and Natural Resources Division, the Department requests 12 positions and $642,000 to prosecute alleged criminal violations of environmental statutes.

Management Improvements - The Department is requesting an additional $6,225,000 for Legal Activities Office Automation to continue its program of automation improvements in the legal divisions and the U.S. Attorneys' offices. This funding will enable the litigating components to increase efficiency, strengthen management and improve the productivity of their litigating efforts. With this enhancement, the participating components will replace outdated equipment and provide access to such information system applications as legal research, attorney timekeeping and administrative management systems.

The Tax Division requests an enhancement of $325,000 to address its problem in the recruitment and retention of qualified personnel -- particularly attorneys. Included in this request is $75,000 to establish a professional development program for the Division's attorneys. The remaining $250,000 will be used to initiate a more aggressive attorney recruitment program to fill open slots, and to provide additional awards to outstanding experienced professionals.

The Land and Natural Resources Division requests an increase of $40,000 and 1 position to provide the administrative support needed to implement the automated litigation support initiatives requested in the 1991 budget.

Program reductions totalling 14 positions and $75,000 will be realised from A-76 management savings as three legal divisions (Tax Division - 4 positions, $22,000; Criminal Division - 5 positions, $26,000; and the Civil Rights Division - 5 positions and $27,000) contract out services currently performed by Federal employees.

Legal Activities

Salaries and expenses, General Legal Activities

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in appropriation language listed and explained below; new language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses, General Legal Activities

For expenses necessary for the legal activities of the Department of Justice, not
otherwise provided for, including not to exceed $20,000 for expenses of collecting
evidence, to be expended under the direction of the Attorney General and accounted for
solely on his certificate; and rent of private or Government-owned space in the
District of Columbia; [$257,000,000], , of which not to exceed [$5,751,000] shall be available $5,639,000
for the operation of the United States National Central Bureau, INTERPOL; and of which $338,546,000
not to exceed $6,000,000 for litigation support contracts shall remain available until
September 30, [1991]; Provided, That of the funds available in this appropriation, not 1992
to exceed [$12,160,000] shall remain available until expended for office automation systems $23,171,000
for the legal divisions covered by this appropriation, and for the United States Attorneys,
the Antitrust Division, and offices funded through Salaries and expenses, General Administration:
[Provided further, That for fiscal year 1990 and hereafter the Chief, United States National
Central Bureau, INTERPOL, may establish and collect fees to process name checks and background
records for non-criminal employment, licensing, and humanitarian purposes and, notwithstanding
the provisions of 31 U.S.C. 3302, credit such fees to this appropriation to be used
for salaries and other expenses incurred in providing these services. Provided further, That
for fiscal year 1990 and hereafter the Attorney General may establish and collect fees to cover
the identifying, copying and distributing copies of tax decisions rendered by the Federal
Judiciary and that any such fees shall be credited to this appropriation notwithstanding the
provisions of 31 U.S.C. 3302:] Provided further, That, notwithstanding any other provision of
law, not to exceed [$1,000,000] for expenses of the Department of Justice associated with $1,500,000
processing cases under the National Childhood Vaccine Injury Act of 1986 shall be reimbursed
from the special fund established to pay judgments awarded under the Act.

[Subject to the provisions of section 104(e) of the Civil Liberties Act of 1988 (Public Law 100-383; 50 U.S.C. App. 1989 (b-3(e)), the maximum amount authorized under such section for any fiscal year is appropriated, from money in the Treasury not otherwise appropriated, for each fiscal year beginning on or after October 1, 1990, to the Civil Liberties Public Education Fund established by section 104(a) of the Civil Liberties Act of 1988, for payments to eligible individuals under section 105 of that Act.]

19 U.S.C. 1619; 21 U.S.C. 886; 28 U.S.C. 501, 505-506, 510-520, 524-526, 48 U.S.C. 1424, 1617, 1694; 50 U.S.C. App. 6; Department of Justice Appropriations Act, 1990; additional authorizing legislation to be proposed.)

[For carrying out efforts at National Drug Control and the President's initiative to combat violent crime, $41,476,000, to remain available until expended, to improve the effectiveness of the Department's legal activities, to improve coordination between law enforcement programs in this country and other countries, to improve efforts in extradition of drug cartel kingpins and to improve Criminal Division efforts in Federal/State task forces.]

(Department of Transportation and Related Agencies Appropriations Act, 1990.)

Explanation of changes:

1. The first four changes update the 1990 language to coincide with the 1991 request.

2. The fifth change deletes two provisos that are no longer necessary. The first proviso is no longer required because the 1990 language constitutes a permanent statutory adjustment. The second proviso contains language which was repealed in the Foreign Operations, Export Financing, and Related Appropriations Act, 1990 (Sec. 599F, 103 Stat. 1264).

3. The sixth change increases the amount that can be transferred from the National Childhood Vaccine Injury Compensation Fund from $1,000,000 to $1,500,000 pursuant to P.L. 101-239.

4. The seventh change deletes language no longer required because the 1990 language constitutes a permanent statutory adjustment.

5. The eighth change deletes language no longer required because the 1990 language constituted a one-time requirement.

Legal Activities

Salaries and expenses, General Legal Activities

Crosswalk of 1990 Changes

(Dollars in thousands)

Budget Activity	1990 President's Budget Request			Congressional Appropriation Actions on 1990 Request			1990 Sequestration			Approved Reprogrammings			1990 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
Appropriated															
1. Conduct of Supreme Court proceedings and review of appellate matters..........	49	54	$4,485	...	...	$222	...	...	($57)	...	...	...	49	54	$4,650
2. General tax matters............	656	629	42,758	...	...	...	...	...	(514)	...	...	...	656	629	42,244
3. Criminal matters...............	979	834	64,434	...	...	...	...	(14)	(775)	...	...	...	979	820	63,659
4. Claims, customs and general civil matters.................	949	897	99,010	(65)	(31)	(4,879)	...	...	(1,131)	...	...	...	884	866	93,000
5. Land, natural resources and Indian matters................	386	354	37,721	(3)	2	(2,586)	...	...	(422)	...	...	...	383	356	34,713
6. Legal opinions.................	39	42	2,820	...	...	24	...	...	(34)	...	...	...	39	42	2,810
7. Civil rights matters...........	465	427	32,180	...	...	728	...	...	(395)	...	...	...	465	427	32,513
8. Interpol-USNCB.................	79	75	5,751	...	...	...	...	...	(69)	...	...	...	79	75	5,682
9. Legal activities office automation.............	...	...	12,160	...	...	...	...	...	(146)	...	...	...	0	0	12,014
10. Special counsel for discrimination................	33	27	2,640	3	2	1,000	...	...	(44)	...	...	...	36	29	3,596
Total....................	3,635	3,339	303,967	(65)	(27)	(5,491)	...	(14)	(3,587)	...	...	...	3,570	3,298	294,889

Congressional Appropriation Actions: Funding provided in the appropriations acts totaled $298,476,000, a reduction of $5,491,000 from the President's Budget, as amended. Of the $298,476,000, some $295,776,000 was provided by Congress to fund requests made in the amended Bush Budget and for other specific purposes. This left a total of $3,700,000 in undistributed program increase funding which was allocated among the General Legal Activities accounts at the discretion of the Department. The result of these combined actions is represented in the columns, above.

1990 Sequestration: These columns reflect the sequestration required by P.L. 99-177, as amended by the Omnibus Budget Reconciliation Act of 1989.

Legal Activities

Salaries and expenses, General Legal Activities

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990	2,950	2,771	$257,000
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding	620	541	41,476
1990 as enacted	3,570	3,312	298,476
1990 Sequestration	0	(14)	(3,587)
1990 appropriation anticipated	3,570	3,298	294,889
Transfer of the Organized Crime and Racketeering Strike Force from the Criminal Division to the U.S. Attorneys	(186)	(170)	(13,600)
Mandatory increases	---	190	30,258
Decreases	(42)	(41)	(1,438)
1991 Base	3,342	3,277	310,109

Estimates by Budget Activity	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Conduct of Supreme Court proceedings and review of appellate matters	49	54	$4,650	49	54	$4,889	49	54	$4,889	0	0	0
2. General tax matters	656	629	42,244	656	647	44,803	652	643	50,487	(4)	(4)	$5,684
3. Criminal matters	979	820	63,659	793	736	61,584	792	733	61,820	(1)	(3)	236
4. Claims, customs and general civil matters	884	866	93,000	884	901	97,254	980	948	102,621	96	47	5,367
5. Land, natural resources and Indian matters	383	356	34,713	383	379	37,116	430	403	43,724	47	24	6,608
6. Legal opinions	39	42	2,818	39	43	3,013	39	43	3,013	0	0	0
7. Civil rights matters	465	427	32,513	423	404	35,007	481	431	39,324	58	27	4,317
8. INTERPOL-USNCB	79	75	5,682	79	79	5,639	79	29	5,639	0	0	0
9. Legal activities office automation	0	0	12,014	0	0	16,946	0	0	23,171	0	0	6,225
10. Special counsel for discrimination	36	29	3,596	36	34	3,858	36	34	3,858	0	0	0
Total	3,570	3,298	294,889	3,342	3,277	310,109	3,538	3,368	338,546	196	91	28,437
Reimbursable workyears		248			254			254			0	
Total workyears		3,546			3,531			3,622			91	

EOY Employment:	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
Full-time permanent	3,070	36	3,106	3,090	42	3,132	3,286	42	3,328	196	0	196
Other	160	212	372	160	212	372	160	212	372	0	0	0
Total	3,230	248	3,478	3,250	254	3,504	3,446	254	3,700	196	0	196

Legal Activities

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes

(Dollars in thousands)

Item	Budget Activity									
	Tax Matters				Criminal matters				Claims, customs and general civil matters	
	Program Increases		Program Decreases		Program Increases		Program Decreases			
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS/GM-15	...	...	...	...	1	059	...	...	12	710
GS/GM-14	...	...	...	...	2	101	(2)	(101)	19	956
GS/GM-13	...	...	...	...	...	...	(1)	(43)	28	1,193
GS-12	...	...	(1)	(10)	...	...	(2)	(72)	...	...
GS-11	...	...	...	...	...	...	...	...	...	...
GS-9	...	...	(3)	(12)	...	...	...	...	9	269
GS-8	...	...	...	...	...	...	...	...	...	...
GS-7	...	...	...	...	1	20	...	...	...	...
GS-6	...	...	...	...	...	...	...	...	8	161
GS-5	...	...	...	...	...	...	...	...	8	146
GS-4	...	...	...	...	...	...	...	...	12	195
GS-3	...	...	...	...	...	...	...	...	...	...
GS-2	...	...	...	...	...	...	...	...	...	...
Total positions and annual rate	...	0	(4)	(22)	4	180	(5)	(216)	96	3,630
Lapse (-)	...	872	...	...	(2)	(90)	...	...	(49)	(1,822)
Other personnel comp.										
Total workyears and pers. compensation	...	872	(4)	(22)	2	90	(5)	(216)	47	1,808
Personnel benefits		174		...		25		(59)		332
Travel and transportation of persons		276		...		36		...		174
Transportation of things		...		...		2		...		...
GSA rent		...		...		25		...		...
Comm., utilities and miscellaneous charges		80		...		18		...		...
Printing		21		...		3		...		...
Other services		4,218		...		21		249		2,924
Supplies		29		...		11		...		49
Equipment		36		...		31		...		80
Total	0	5,706	(4)	(22)	2	262	(5)	(26)	47	5,367

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes

(Dollars in thousands)

Item	Budget Activity Land, natural resources and Indian matters Pos.	Amount	Civil rights matters Program Increases Pos.	Amount	Program Decreases Pos.	Amount	Legal activities office automation Pos.	Amount	Total Pos.	Amount
Grades										
GS/GM-15	5	295	5	$296	...	...	...	...	23	1,360
GS/GM-14	2	100	10	503	...	...	...	...	31	1,559
GS/GM-13	4	171	10	426	...	...	...	...	41	1,747
GS-12	5	180	2	72	...	...	...	...	4	170
GS-11	7	210	10	299	...	...	...	...	26	778
GS-9	7	172	7	173	...	...	...	...	21	333
GS-8	...	...	...	...	...	...	...	...	0	0
GS-7	5	100	10	202	(2)	(40)	...	...	22	443
GS-6	...	...	5	91	...	...	...	...	13	237
GS-5	9	140	...	...	(3)	(48)	...	...	18	295
GS-4	2	38	1	15	...	...	...	...	3	45
GS-3	1	13	3	39	...	...	...	...	4	52
GS-2	...	...	...	...	...	...	...	...	0	0
Total positions and annual rate	47	1,419	63	2,116	(5)	(88)	...	...	196	7,019
Lapse (-)	(23)	(667)	(31)	(1,071)	...	...	...	...	(105)	(2,778)
Other personnel comp.		...		...						
Total workyears and pers. compensation	24	752	32	1,045	(5)	(88)	...	...	91	4,241
Personnel benefits		120		260		...		...		860
Travel and transportation of persons		437		402		...		...		1,325
Transportation of things		...		35		...		...		37
GSA rent		191		428		...		...		644
Comm., utilities and miscellaneous charges		33		125		...		$1,845		2,101
Printing		...		63		...		...		87
Other services		5,040		1,571		61		2,639		16,723
Supplies		8		146		...		...		243
Equipment		27		261		...		1,741		2,176
Total	24	6,600	32	4,344	(5)	(27)	...	6,225	91	28,437

Legal Activities

Salaries and Expenses, General Legal Activities

Summary of Permanent Positions by Category

Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1991				
			Base Adjustments	Transfers in the Estimates	Program Increases	Program Decreases	Total
Attorneys..........................	1,663	1,843	0	(122)	117	0	1,838
Paralegal Specialists............	227	261	0	(7)	30	0	284
Other Legal and Kindred..........	68	68	0	0	0	0	68
Social Sciences, Economics.......	26	24	0	0	3	(2)	25
General Administrative, Clerical.	1,214	1,341	(42)	(57)	60	(11)	1,291
Accounting and Budget............	18	19	0	0	0	(1)	18
Other Miscellaneous..............	13	14	0	0	0	0	14
Total............................	3,229	3,570	(42)	(186)	210	(14)	3,538
Washington, D.C..................	2,939	3,256	(42)	30	210	(14)	3,440
U.S. Field.......................	289	313	0	(216)	0	0	97
Foreign Field....................	1	1	0	0	0	0	1
Total............................	3,229	3,570	(42)	(186)	210	(14)	3,538

Legal Activities

Salaries and expenses, General Legal Activities

Summary of Change

(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Department of Justice Appropriation Act, 1990	2,950	2,771	257,000
Department of Transportation Appropriation Act, 1990 Emergency Drug Funding	620	541	41,476
1990 as enacted	3,570	3,312	298,476
1990 Sequestration	0	(14)	(3,587)
1990 appropriation anticipated	3,570	3,298	294,889
Adjustments to base:			
Transfer of the Organized Crime and Racketeering Strike Force from the Criminal Division to the U.S. Attorneys	(186)	(170)	(13,600)
Mandatory increases:			
Annualization of 1990 positions	0	186	12,213
Additional compensable day	0	0	697
1990 Full-year pay increase impact on 1991 [1]	0	0	6,429
1991 pay increase	0	0	2,305
Senior Executive Service pay increase	0	0	1,100
Special salary rates	0	0	80
Health Benefits	0	0	814
GSA Rent	0	0	605
GPO printing costs	0	0	71
Employee data and payroll services	0	0	31
Foreign allowances	0	0	12
Distributed Administrative Support	0	0	1
INTERPOL dues	0	0	43
Correction of base funding for Special Counsel	0	4	90
Project EAGLE maintenance	0	0	835
Annualization of 1990 leases	0	0	4,932
Total mandatory increases	0	190	30,258
Decreases:			
Nonrecurring costs associated with 1990 program increases	0	0	(671)
Staffing of Office of Redress Administration	(42)	(41)	0
Federal Telecommunications System (FTS) savings	0	0	(767)
Total decreases	(42)	(41)	(1,438)
1991 Base	3,342	3,277	310,109
Program Changes:			
General tax matters	(4)	(4)	5,684
Criminal matters	(1)	(3)	236
Claims, customs and general civil matters	96	47	5,367
Land, natural resources and Indian matters	47	24	6,600
Civil rights matters	58	27	4,317
Legal Activities Office Automation	0	0	6,229
Total, program changes [1]	196	91	28,437
1991 Estimate	3,538	3,368	338,546

---

[1] The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

General L[illegible] Activities

Salaries and expenses

Justification of Adjustments to Base

(Dollars in thousands)

Mandatory Increases	Perm. Pos.	Work-years	Amount
1. Annualization of 1990 positions	0	186	$12,213

This provides for the annualization of 191 positions approved in the original 1990 President's Budget request to Congress, plus 168 positions requested in the President's 1990 Violent Crime budget amendment.

	Approved 1990 Increases	Annualization Required
Annual salary rate of 359 approved positions	$12,764	
Less lapse (50 percent)	-6,861	$5,862
Net compensation	5,903	5,862
Associated employee benefits	1,444	1,433
Other object classes	24,351	4,918
Total costs subject to annualization	31,698	12,213

Mandatory Increases	Perm. Pos.	Work-years	Amount
2. Additional compensable day	0	0	697

The annual salary rate for Federal employees is based on 260 paid days. During 1991 there is one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.

Mandatory Increases	Perm. Pos.	Work-years	Amount
3. 1990 Full-year pay increase impact on 1991	0	0	6,429

This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and miliary personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $6,429,000 is the amount required for full year funding in 1991. NOTE: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

	Perm. Pos.	Work-years	Amount
4. 1991 pay increase For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This request provides for 50 percent of the proposed 3.5 percent pay increase effective in January of 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $2,305,000, is the cost of the pay increase for approximately three-quarters of the year assuming a 50-percent absorption.	0	0	2,305
5. Senior Executive Service pay increase This request represents the 1991 costs of the pay increase for senior executive service employees. This pay raise is to be effective in January of 1990, but will be absorbed completely for the first year. In 1991, an increase of $1,100,000 is necessary for this requirement. Funding for the executive level employees pay raise is completely absorbed in both years.	0	0	$1,100
6. Special Salary Rates This request provides increases as authorized by law in 5 U.S.C. 5303. The Office of Personnel Management has approved these rates for positions where retention and recruitment of qualified applicants is a problem. The Department's request represents coverage of 33 authorized special rates.	0	0	80
7. Health Benefits The Federal Employees Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1990, the actual contribution to health insurance increased. The requested increase of $814,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.	0	0	814
8. GSA Rent GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $605,000 or a five-percent increase over the base, is required to meet our commitment to GSA.	0	0	605
9. GPO printing costs The Government Printing Office (GPO) is currently projecting a seven-percent increase over the 1990 printing costs. An additional $71,000 will be required in 1991.	0	0	71

	Perm. Pos.	Work-years	Amount
10. Employee data and payroll services Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems, maintenance and payroll accounting, are based on the number of employee records maintained. The rate of $188.23 per record in 1990 will be raised to $199.52 per record for 1991. The change is based on anticipated uncontrollable cost increases of 6 percent for the operation of the Justice Employee Data Service. An increase of $31,000 will be required in 1991.	0	0	31
11. Foreign Allowance Allowances for Government employees in foreign areas are determined by the Department of State (DOS). The State Department anticipates a 10-percent increase in 1991. The requested increase of $12,000 provides 10 percent more than is budgeted for 1990.	0	0	12
12. Distributed Administrative Support Under the Foreign Affairs Administrative Support agreement an annual charge is made by the DOS for administrative support items. The amount of this charge is determined by the DOS. The DOS advises that a 10-percent increase in foreign operations costs is anticipated. The increase of $1,000 is based on the 1990 base availability.	0	0	$1
13. INTERPOL dues Adjustments in the annual dues payable to the International Criminal Police Organization.	0	0	43
14. Correction of base funding for Office of Special Counsel Funding and workyears necessary to reflect appropriate base level resources given the staffing level of the Office of Special Counsel.	0	4	90
15. Project EAGLZ Maintenance As part of Project EAGLE, the Tax and Criminal Divisions and the U.S. Attorneys will be required to provide maintenance costs from their operating budgets after the government assumes ownership of the workstations and other equipment associated with this initiative. Based on the 1989 procurement of this equipment, $835,000 will be needed to cover these maintenance requirements in 1991.	0	0	835
16. Annualization of 1990 leases The amount provided in this increase will allow full year funding of leases for office automation systems for Department management offices and litigating components.	0	0	4,932
Total, mandatory increases	0	190	30,258

	Perm. Pos.	Work-years	Amount
Decreases:			
1. Nonrecurring costs associated with 1990 program increases	0	0	($671)
2. Staffing of Office of Redress Administration Staffing of the Office of Redress Administration has been accomplished through reassigning existing personnel , by hiring personnel on temporary appointments and by utilizing contract personnel. To accurately reflect the projected utilization of resources, it is necessary to reduce ORA resources 42 positions and 41 workyears in 1991. This reduction does not imply any need for less funding for this effort; funds originally allocated for salaries and benefits will be used for contractor support.	(42)	(41)	0
3. Federal Telecommunications Systems (FTS) In 1991, the General Services Administration (GSA) is to have the FTS 2000 system fully implemented. At present GSA projections indicate costs for current FTS minute usage charges will decrease from 34 cents per minute to 18 cents per minute. The requested reduction of $767,000 from the 1990 base reflects this decrease.	0	0	(767)
Total, adjustments to base	(42)	149	28,820

Legal Activities

Salaries and expenses, General Legal Activities

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	1989 Actual		1990 Estimate		1991 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level III, $89,100	2		2		2		0	
Executive Level IV, $85,600	6		6		6		0	
ES-6, $83,600	2		2		2		0	
ES-5, $81,400	7		7		7		0	
ES-4, $79,200	77		79		79		0	
ES-3, $77,600	8		8		8		0	
ES-2, $74,400	16		16		16		0	
ES-1, $71,200	9		9		9		0	
GS/GM-15, $59,216 - $76,978	778		793		767		(26)	
GS/GM-14, $50,342 - $65,444	381		459		453		(6)	
GS/GM-13, $42,601 - $55,381	344		435		442		7	
GS-12, $35,825 - $46,571	229		226		226		0	
GS-11, $29,891 - $38,855	211		247		236		(11)	
GS-10, $27,206 - $35,369	10		9		9		0	
GS-9, $24,705 - $32,121	190		220		211		(9)	
GS-8, $22,367 - $29,087	137		136		137		1	
GS-7, $20,195 - $26,252	400		436		428		(8)	
GS-6, $18,174 - $23,628	199		229		222		(7)	
GS-5, $16,305 - $21,201	127		151		171		20	
GS-4, $14,573 - $18,947	59		64		67		3	
GS-3, $12,982 - $16,879	28		28		32		4	
GS-2, $11,897 - $14,973	9		8		8		0	
1991 pay increase						$2,305		$2,305
Total, appropriated positions	3,229	$137,486	3,570	$156,251	3,538	$159,751	(32)	$3,500
Pay above stated annual rate	0	0	0	0	0	558	0	558
Lapses	(569)	(23,329)	(652)	(26,732)	(550)	(22,550)	102	4,182
Net savings due to lower pay scales for part of the year	0	(1,342)	0	(1,478)	0	0	0	1,478
Net full-time permanent	2,660	112,815	2,918	128,041	2,988	137,759	70	9,718
Other than permanent:								
Part-time permanent	25	1,331	55	2,013	65	2,053	10	40
Temporary employment	130	8,248	300	11,390	290	11,650	(10)	260
Other part-time and intermittent employment	25	720	25	750	25	750	0	0
Other personnel compensation:								
Overtime	1	430	1	400	1	400	0	0
Other compensation	0	851	0	734	0	734	0	0
Special personal services payments	0	2,317	0	3,330	0	3,330	0	0
Total, workyears and personnel compensation	2,841	126,912	3,299	146,658	3,369	156,676	70	10,018
Average ES Salary		$75,300		$76,755		$85,553		
Average GS/GM Salary		$44,321		$45,409		$46,862		
Average GS/GM Grade		11.10		10.67		10.61		

Legal Activities

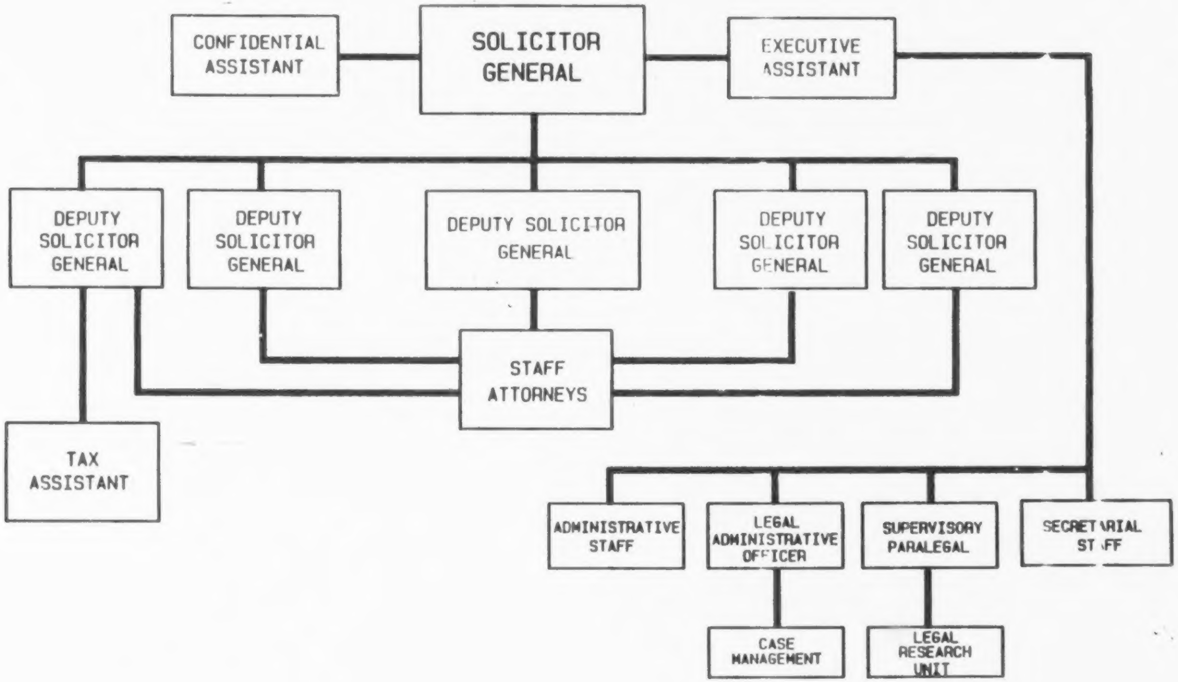
Salaries and Expenses, General Legal Activities

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1989 Actual		1990 Estimate		1991 Request		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11 Personnel compensation:								
11.1 Permanent positions	2,660	112,815	2,918	128,041	2,988	137,759	0	9,718
11.3 Positions other than permanent	180	10,499	380	14,153	380	14,453	0	300
11.5 Other personnel compensation	1	1,281	1	1,134	1	1,134	0	0
11.8 Special personnel services payments	0	2,317	0	3,330	0	3,330	0	0
Total	2,841	126,912	3,299	146,658	3,369	156,676	0	10,018
Reimbursable & allocation workyears:								
Full-time permanent	0		36		42		0	
Other than permanent	212		212		212		0	
Other objects:								
12 Personnel benefits		20,665		25,560		30,442		4,882
13 Benefits for former personnel		109		72		72		0
21 Travel and transportation of persons		8,964		10,966		11,185		219
22 Transportation of things		1,355		1,603		1,635		32
23.1 Standard level user charges		25,495		28,995		30,445		1,450
23.2 Rental payments to others		150		0		0		0
23.3 Communications, utilities and other rent		15,905		22,459		23,580		1,121
24 Printing and reproduction		1,938		2,169		2,280		111
25 Other services		36,327		45,738		72,051		26,313
26 Supplies and materials		2,705		3,131		3,300		169
31 Equipment		5,586		6,658		6,000		(658)
41 Grants, subsidies and contributions		841		860		860		0
42 Insurance claims and indemnities		2		20		20		0
Total obligations	2,841	246,954	3,299	294,889	3,369	338,546	0	43,657
Unobligated balance, start-of-year		(2,816)		(966)		(966)		
Unobligated balance, end-of-year		966		966		966		
Unobligated balance lapsing		1,490		0		0		
Total requirements		246,594		294,889		338,546		
Relation of obligations to outlays:								
Total obligations		246,954		294,889		338,546		
Obligated balance, start-of-year		12,990		23,314		40,526		
Obligated balance, end-of-year		(23,314)		(40,526)		(49,428)		
Adjustments in expired accounts		547		0				
Outlays		237,177		277,677		329,644		

OFFICE OF THE SOLICITOR GENERAL


SOLICITOR GENERAL
CONFIDENTIAL ASSISTANT
EXECUTIVE ASSISTANT
DEPUTY SOLICITOR GENERAL
DEPUTY SOLICITOR GENERAL
DEPUTY SOLICITOR GENERAL
DEPUTY SOLICITOR GENERAL
DEPUTY SOLICITOR GENERAL
STAFF ATTORNEYS
TAX ASSISTANT
ADMINISTRATIVE STAFF
LEGAL ADMINISTRATIVE OFFICER
SUPERVISORY PARALEGAL
SECRETARIAL STAFF
CASE MANAGEMENT
LEGAL RESEARCH UNIT

Approved: ________________ Date: 11-26-90
DICK THORNBURGH
Attorney General

A1

Office of the Solicitor General

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1990 as enacted	49	54	$4,707
1990 Sequestration			-57
1990 appropriation anticipated	49	54	4,650
Mandatory increases:			
Additional compensable pay	...	...	11
1990 Full-year pay increase impact on 1991	...	...	88
1991 pay increase	...	...	32
Senior Executive Service pay increase	...	...	60
Health benefits	...	...	10
GSA rent	...	...	9
Government Printing Office printing costs	...	...	18
Total, mandatory increases	...	...	2[illegible]
Decreases:			
Federal Telecommunications System (FTS)	...	...	9
Total, decrease	...	...	9
1991 base	49	54	4,889

Estimates by budget activity	1989 Enacted Perm. Pos.	1989 Enacted WY	1989 Enacted Amt.	1989 Actual Perm. Pos.	1989 Actual WY	1989 Actual Amt.	1990 Appropriation Enacted Perm. Pos.	1990 Appropriation Enacted WY	1990 Appropriation Enacted Amt.	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amt.	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amt.	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
1. Conduct of Supreme Court proceedings and review of appellate matters	49	54	$4,181	49	48	$4,117	49	54	$4,650	49	54	$4,889	49	54	$4,889	...	...	...
Other Workyears																		
Holiday		...			...			...			...			...			...	
Overtime		2			2			2			2			2				
Total workyears		56			51			56			56			56			...	

Office of the Solicitor General

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary

(Dollars in thousands)

Activity: Conduct of Supreme Court proceedings and review of appellate matters

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity	49	54	$4,650	49	54	$4,889	49	54	$4,889	...	...	...

Long-Range Goal: To be as effective as possible in the conduct of all aspects of government litigation in the appellate courts and the U.S. Supreme Court.

Major Objectives:

To adequately represent the interests of the U.S. Government in cases before the Supreme Court.

To review appellate cases to determine their suitability for appeal to the U.S. Supreme Court or to a lower Federal Appellate Court.

To meet all filing dates of cases before the U.S. Supreme Court.

Base Program Description: The major function of the Solicitor General's Office is to supervise the handling of government litigation in the Supreme Court of the United States.

The Office of the Solicitor General is the Government's foremost legal office. The original Statutory Authorization Act of June 22, 1870, states: "There shall be in the Department of Justice an officer learned in the law, to assist the Attorney General in the performance of his duties to be called the Solicitor General." As stated in 28 C.F.R. 0.20, the general functions of the Office are as follows: (1) conducting, or assigning and supervising all Supreme Court cases, including appeals, petitions for and in opposition to certiorari, briefs and arguments; (2) determining whether, and to what extent, appeals will be taken by the Government to all appellate courts (including petitions for rehearing en banc and petitions to such courts for the issuance of extraordinary writs); (3) determining whether a brief amicus curiae will be filed by the Government, or whether the Government will intervene, in any appellate court; (4) assisting the Attorney General and the Deputy Attorney General in the development of broad Department program policy.

Accomplishments and Workload: Recent accomplishments and workload of the Office of the Solicitor General are presented as follows:

Supreme Court Matters: Item	1988	1989	Estimates 1990	Estimates 1991
Pending, beginning of term	416	425	438	451
Received	2,136	2,142	2,182	2,198
Terminated	2,127	2,129	2,169	2,187
Pending, end of term	425	438	451	462

Supreme Court Matters:	Item	1988	1989	Estimates 1990	Estimates 1991
Other Activities:					
Appellate determinations		1,533	1,537	1,540	1,544
Certiorari determinations1/		736	740	749	754
Miscellaneous recommendations2/		378	379	377	381
Oral Arguments		74	83	74	76

Explanation: Cases decided during the 1988 Term of the Supreme Court in which the Solicitor General has filed a brief include those in which the Court held that: (1) the sentencing guidelines promulgated by the United States Sentencing Commission pursuant to the Sentencing Reform Act of 1984 are consistent with the separation of powers under the Constitution and are not the product of an improper delegation by Congress of its legislative power (United States v. Mistretta); (2) the Fourth Amendment does not bar the Customs Service from requiring employees who apply for a transfer to a position involving the interdiction of drugs or the handling of firearms to undergo a urinalysis drug test (National Treasury Employees Union v. von Raab); (3) application of the forfeiture provisions of the federal drug laws to assets that the defendant wishes to use to pay his attorney is consistent with the relevant statutory provisions and the Sixth Amendment of the Constitution (Caplin & Drysdale v. United States); United States v. Monsanto); (4) the Federal Advisory Committee Act does not apply to meetings of the Standing Committee on the Federal Judiciary of the American Bar Association, especially in light of the potential for the Act to interfere with the President's constitutional power to nominate officers of the United States (Public Citizen v. U.S. Department of Justice); and (5) the Constitution does not require a state to permit the use of public facilities or employees to perform abortions or prohibit a state from requiring a physician to perform medically reasonable tests to determine the viability of a fetus that has a gestational age of 20 or more weeks (Webster v. Reproductive Health Services).

Cases decided during the 1989 Term of the Supreme Court in which the Solicitor General filed a brief include those in which the Court held that: (1) neither the First Amendment nor a common-law evidentiary privilege bars the enforcement of a subpoena issued to a university by the Equal Employment Opportunity Commission in an investigation of alleged employment discrimination (University of Pennsylvania v. EEOC); (2) a federal district court abused its discretion in imposing contempt fines on individual members of the Yonkers City Council for refusing to vote for a remedial measure contemplated by a consent decree without first imposing fines on the City alone (Spallone v. United States); and (3) the statute assessing a percentage fee from the Iran - United States Claims Tribunal does not violate the Just Compensation Clause of Due Process Clause of the Fifth Amendment (United States v. Sperry Corp.).

Cases to be decided during the 1989 Term of the Supreme Court include those in which the Solicitor General has filed a brief arguing that: (1) whether the law directing federal district courts to impose monetary assessments against convicted defendants was passed in violation of the Origination Clause of the Constitution presents a nonjusticiable political question, and that law does not in any event violate the Origination Clause (United States v. Munoz-Flores); (2) the Equal Access Act prohibits content-based discrimination against student speech in a high school's student club program, and that Act is consistent with the Establishment Clause of the First Amendment (Board of Education of Westside Community Schools v. Mergens); (3) a State may, consistently with the Due Process Clause of the Fourteenth Amendment, require clear and convincing evidence that an incompetent person would want life-sustaining procedures withdrawn before it approves the termination of such procedures (Cruzan v. Director of Missouri Department of Health); (4) a state statute requiring notification of the parents of a minor who seeks an abortion does not violate the Due Process Clause of the Fourteenth Amendment (Hodgson v. Minnesota); and (5) the Office of Personnel Management may not be equitably estopped from terminating a civil service disability retirement annuity as required by law (OPM v. Richmond).

1/ Includes certiorari authorizations, no certiorari decisions, direct appeal authorizations and no direct appeal decisions.

2/ Miscellaneous decisions include the following: amicus participation, mandamus, rehearing, settlement, bails, stays, etc. This figure does not include oral arguments in the Supreme Court, conferences, correspondence, etc.

Office of the Solicitor General

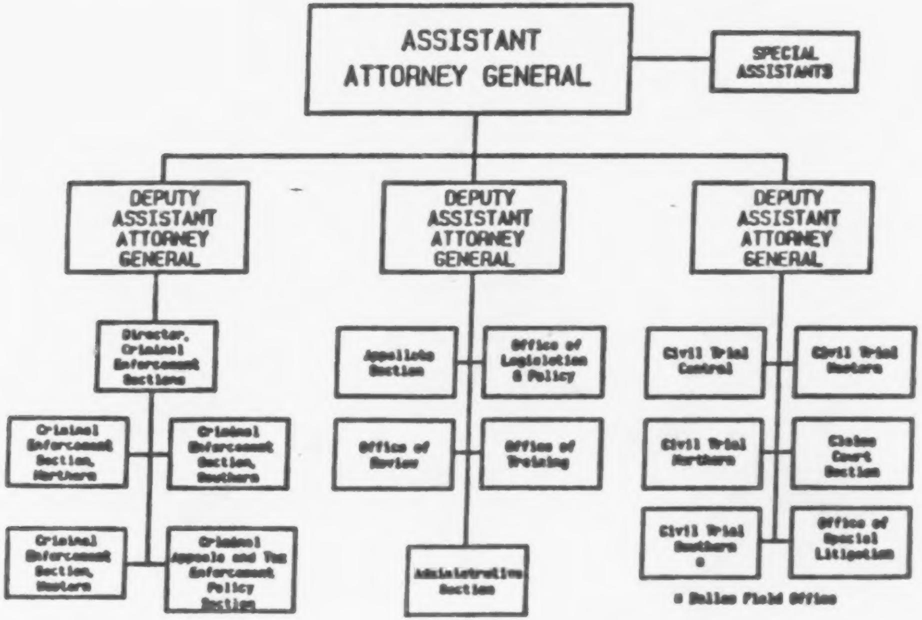
Salaries and expenses, General legal Activities

Detail of Permanent Positions by Category

Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1991 Request
Attorneys (905)	23	23	23
Paralegal Specialists (950)	6	6	6
Other Legal and Kindred (900-998)	4	4	4
Gen. Admin., Clerical and Office Svc. (300-399)	16	16	16
Total	49	49	49
Washington	49	49	49

TAX DIVISION


ASSISTANT ATTORNEY GENERAL
SPECIAL ASSISTANTS
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
Director, Criminal Enforcement Sections
Criminal Enforcement Section, Northern
Criminal Enforcement Section, Southern
Criminal Enforcement Section, Western
Criminal Appeals and Tax Enforcement Policy Section
Appellate Section
Office of Legislation & Policy
Office of Review
Office of Training
Administrative Section
Civil Trial Central
Civil Trial Eastern
Civil Trial Northern
Claims Court Section
Civil Trial Southern *
Office of Special Litigation

* Dallas Field Office

Approved: Dick Thornburgh Date: 10-10-89

DICK THORNBURGH
Attorney General

Tax Division

Salaries and expenses, General Legal Activities

Crosswalk of 1990 Changes

(Dollars in thousands)

Activity/Program	1990 President's Budget Request			Approved Reprogrammings			1990 Sequestration			1990 Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Federal appellate activity	98	92	8,268	...	...	...	...	...	-75	98	92	8,193
Criminal tax prosecution	128	117	7,887	...	...	...	...	...	-95	128	117	7,792
Civil tax litigation	309	317	23,010	...	...	...	...	...	-277	309	317	22,733
Management and administration	99	103	3,593	...	...	...	...	...	-67	99	103	3,526
Total..........................	634	629	42,758	...	...	...	...	...	-514	634	629	42,244

242

Tax Division

Salaries and Expenses, General Legal Activities

Summary of Requirements
(Dollar in thousands)

	Perm. Pos.	Work-years	Amount
Adjustments to base:			
Department of Justice Appropriation Act, 1990	420	403	$27,056
Department of Transportation Appropriations Act, 1990, Emergency Drug Funding	236	226	15,702
1990 as enacted	656	629	$42,758
1990 Sequestration	...	...	-514
1990 appropriation anticipated	656	629	42,244
Mandatory increases:			
Additional compensatory day	...	...	135
Annualization of 1990 positions	...	18	610
Full Year Effect of 1990 Pay Raise in 1991	...	...	1,067
1991 Pay Raise	...	...	394
Senior Executive Serivce pay increase	...	...	208
Special salary rates	...	...	46
Health benefits	...	...	148
GSA rent	...	...	103
Employee data and payroll service	...	...	6
Project Eagle maintenance	...	...	255
Total, mandatory increases	656	647	2,972
Decreases:			
Nonrecurring costs associated with new 1990 positions	...	...	-262
Federal Telecommunications Systems (FTS) reduction	...	...	-151
Total, decrease	...	...	-413
1991 Base	656	647	44,803

	1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. General Tax Matters	621	576	$37,527	656	629	$42,244	656	647	$44,803	652	643	$50,487	-4	-4	$5,684
BOY Employment:															
Full-time permanent	540			579			597			593			-4		
Reimbursable	...			12			12			12			...		
Other	36			50			50			50			...		
	576			641			659			655			-4		

Tax Division

Salaries and Expenses, General Legal Activities

Summary of Resources by Program
(Dollar in thousands)

Estimates by Program	1989 As Enacted			1989 Actual			1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
General Tax Matters:																		
Federal appellate activity..............	95	86	$5,499	95	85	$5,483	98	92	$6,193	98	93	$6,522	98	93	$6,522	...	...	...
Criminal tax prosecution................	110	102	6,475	110	101	6,475	120	117	7,792	120	117	8,143	120	117	8,422	...	...	$ 279
Civil tax litigation....................	311	286	19,690	311	284	19,690	339	317	22,733	339	330	24,198	339	330	29,300	...	...	5,102
Organized crime drug enforcement.......	14	12	1,062	14	12	1,062	...	...	...	...	...	...	...	...	...	...	...	...
Management and administration..........	91	95	4,817	91	94	4,817	99	103	5,526	99	107	5,940	95	103	6,221	-4	-4	303
Total..	621	581	37,543	621	576	37,527	656	629	42,244	656	647	44,803	652	643	50,487	-4	-4	5,684
Reimbursable Workyears....................		...			...			12			12			12			...	
Total Workyears...........................		581			576			641			659			655			-4	
Other workyears:																		
Holiday..................................		...			...			...			...			...			...	
Overtime.		6			3			3			3			3			...	
Total compensable workyears..............................		587			579			644			662			658			-4	

Tax Division
Salaries and Expenses, General Legal Activities
Justification of Program and Performance
Activity Resource Summary
(Dollar in thousands)

Activity: General Tax Matters	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity.................	98	92	$6,193	98	93	$6,522	98	93	$6,522	...	...	...
Criminal tax prosecution..................	120	117	7,792	120	117	8,143	120	117	8,422	...	...	$279
Civil tax litigation......................	339	317	22,733	339	330	24,198	339	330	29,300	...	...	5,102
Management and administration.............	99	103	5,526	99	107	5,940	95	103	6,243	-4	-4	303
Total..........................	656	629	42,244	656	647	44,803	652	643	50,487	-4	-4	5,684

This budget activity includes personnel and funding resources necessary to maintain an effective and viable Tax Division. The tax enforcement litigation conducted by Division attorneys ensures that the nation's internal revenue system will remain healthy and that general public compliance with the country's tax laws is maintained. In conducting its primary mission of tax law enforcement, the Tax Division serves as a revenue generating agency for the Federal Government, thereby contributing significantly to the Administration's and Congress' efforts to reduce the Federal budget deficit.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity.................	98	92	$6,193	98	93	$6,522	98	93	$6,522	...	...	...

Long-Range Goal: To ensure uniform enforcement and equitable policy positions on all tax related matters filed with Federal and State Appellate Courts.

Major Objectives:

To maintain the quality of the Government's written and oral advocacy in tax cases on appeal and to prepare briefs, petitions, and other legal documents required by the Solicitor General for submission to the Supreme Court.

To recommend appeal of adverse Tax Court, Claims Court, and District Court decisions to ensure protection of the Government's and the public's interests.

To make fair and consistent interpretations of complex new tax statutes in all cases litigated in the Appellate Courts.

To formulate and successfully to advocate fair and consistent interpretations of the new tax provisions of the Tax Reform Act of 1986 which are now being considered by the appellate Courts.

To handle successfully the new source of appellate workload emerging from the enactment of the Taxpayer Bill of Rights in November, 1988.

Base Program Description: Federal Appellate attorneys litigate all civil tax cases on appeal to the United States Court of Appeals and to State Appellate Courts. Tax Division appellate attorneys also prepare drafts of all pleadings and briefs filed by the Solicitor General in the Supreme Court for cases pending in that Court and make recommendations to the Solicitor General regarding: (1) filing petitions for certiorari in tax cases lost by the Government; (2) appeal of tax cases lost by the Government in the District Court, the Claims Court, and State trial courts; and (3) prosecuting appeals in cases lost by the I.R.S. in the United States Tax Court where appeal is authorized. In addition, the Division's Federal Appellate attorneys handle the appeal of Freedom of Information and Privacy Acts cases and civil torts suits which involve I.R.S. officials.

Accomplishments and Workload: Accomplishments of the Federal Appellate Activity program are presented in the following table:

	1988	1989	Estimates 1990	Estimates 1991
Appellate Caseload:				
Pending, Start of Year	1,024	963	924	889
Received	730	701	754	792
Closed	791	740	789	832
Percent Government Wins	92%	90%	90%	90%
Work Products:				
Main Briefs	575	595	620	635
Reply Briefs	100	115	130	140
Briefs in Opposition	25	15	10	10
Oral Arguments	275	320	345	395
Memoranda	495	540	580	600
Dispositive/Motions	140	150	160	165

These workload data are derived from the Tax Division's automated monthly report of actual caseloads for each of the Division's litigating components. 1988 and 1989 statistics reflect actual end of year caseload. 1990 caseload estimates are projected based upon two months of actual data on case receipts and closings. 1991 projections are based upon anticipated workload increases stemming from recent changes in the nation's tax laws and the Internal Revenue Code. In addition, 1991 estimates are derived, in part, from a model that predicts the number of Tax Court decisions appealed to the Courts of Appeals by using the relationship between the number of taxpayer returns administratively appealed to the I.R.S., and those unagreed appeals that eventually become petitions filed with the Tax Court. The model then tracks the method of disposition of all petitions filed and correlates the number of cases ending in decisions by the Tax Court and cases appealed to the Circuit Court to project appellate case receipts. We add to this figure the estimated number of District Court decisions that will be appealed, determined by using trend data and applying an historical factor to the Tax Division's projected civil case receipts.

While workload statistics are valuable in assessing the productivity of our Federal Appellate attorneys, and Tax Division attorneys in general, case examples provide a clearer understanding of the nature of the litigation Tax Division attorneys are required to handle. Some relevant case examples clearly demonstrate the critical role played by Tax Division Federal Appellate attorneys in generating revenues for the Federal Treasury.

The revenue generating ability of Tax Division Federal Appellate attorneys is perhaps best evidenced by their continuing success in litigating the commodity futures straddle cases which, in the aggregate, involve tax revenues estimated by the I.R.S. at more than $8 billion. In one recent case, Landreth v. Commissioner, Federal Appellate attorneys convinced the Ninth Circuit to follow the Tenth Circuit's decision in Miller v. Commissioner and to disallow deductions of straddle losses unless they resulted from a transaction entered into with the primary purpose of generating economic profit, notwithstanding the Ninth Circuit's earlier precedent to the effect that merely a "possibility" of profit was sufficient to claim the deductions. In addition, the Federal Appellate Section has prevailed in each of ten Appellate Circuits which have reached decisions on appeals from the Tax Court's decision in Glass v. Commissioner. This matter involved several hundred cases involving straddles on the London Metals Exchange. We believe that these precedents will ultimately govern several hundred similar cases now pending in the Tax Court or in audit. The monies involved are substantial.

In yet other matters, Federal Appellate attorneys are engaged in high-stakes litigation involving the complex foreign tax provisions of the Internal Revenue Code. In United States v. Goodyear Tire and Rubber Co., the Supreme Court granted certiorari to review a decision in favor of the taxpayer, and, in an unanimous opinion, ruled in favor of the government. The Court held that the term "accumulated profits," as used in the Code's definition of the foreign tax credit, should be defined by reference to the tax laws of the United States rather than by reference to the tax laws of a foreign country, as the lower court had held. The Internal Revenue Service has indicated that our victory over Goodyear will save the Treasury approximately $1 billion.

The Division's appellate lawyers are also handling some significant cases involving financial institutions. For example, five cases are currently pending in the courts of appeals involving the issue whether a financial institution realizes a tax loss when it exchanges a pool of residential mortgages for a pool of substantially identical residential mortgages held by another financial institution. In Centennial Savings FSB v. United States, First Federal S & L of Temple v. United States, and San Antonio Savings Ass'n v. Commissioner, the Fifth Circuit held that such losses were deductible. Appellate Section attorneys, however, convinced the Sixth Circuit, in Cottage Savings Ass'n v. Commissioner, to hold that such losses were not deductible. With this issue also pending in the District of Columbia Circuit, the deductibility of "mortgage-swap" losses will likely be taken up by the Supreme Court. The I.R.S. estimates that, on an industry-wide basis, this issue involves over $1.5 billion in tax revenues.

With regard to the banking industry, Federal Appellate attorneys are currently litigating a case in the Eleventh Circuit, Citizens and Southern Corporation v. Commissioner, which is the first in an anticipated series of cases involving the issue whether a bank may amortize a portion of the premium it paid to acquire another bank. The banks have argued that amounts paid for customer's checking and savings accounts are amortizable "core-deposits." In these cases, the banks are essentially attempting to depreciate goodwill - a concept that could result in staggering revenue losses if extended to other industries. As it stands, the "core deposit" issue appears in conjunction with many bank acquisitions. The I.R.S. has estimated that on an industry-wide basis, that issue involves upwards of $3.5 billion with respect to bank acquisitions alone.

Two final examples of the work done by the Division's appellate lawyers may be cited. In the first of these cases, United States v. Ron Pair, the Supreme Court held that the Internal Revenue Service was entitled to post-petition interest on its "over-secured" claims in bankruptcy. Under the Internal Revenue Code, the lien that secures the Internal Revenue Service's claim attaches to all property or rights to property of the taxpayer. Accordingly, the Internal Revenue Service often has liens on property, the value of which exceeds the value of the Service's claim for unpaid taxes. In this case, the Supreme Court, rejecting the reasoning of the Court of Appeals, held that when the Service was thus "over-secured", the Service was entitled to interest on its claim during the pendency of the bankruptcy. Since many bankruptcies remain under court control for extended periods, the decision here will provide for substantial additional recoveries by the Internal Revenue Service. Similarly, the Appellate Section recently prevailed in the Seventh Circuit case of Levit v. Ingersoll-Rand Financial Corporation, where the Court held that the trustee in bankruptcy could not recover from the Treasury the amounts paid by the bankrupt for trust fund taxes during the year prior to the filing of the bankruptcy petition. The Supreme Court will consider a similar issue involving employee withholding taxes in Bieger v. United States. Collecting overdue taxes in corporate bankruptcies is a mounting problem. A victory in Bieger will prevent bankrupts from using the many millions of dollars of employment taxes collected from their employees in the months preceding bankruptcy as a general pool of funds from which to pay their creditors.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal tax prosecution............	120	117	$7,792	120	117	$8,143	120	117	$8,422	...	...	$279

Long-Range Goal: To investigate and prosecute individuals and/or corporations involved in criminal tax violations, including those arising from the Savings and Loan crisis, gasoline and diesel fuel excise tax evasion, illicit tax shelters, and money laundering schemes.

Major Objectives:

To investigate and prosecute cases arising from the Savings and Loan crisis and to support U.S. Attorneys and Criminal Division attorneys in joint efforts to prosecute such cases.

To investigate and prosecute aggressively criminal violators of the tax laws in cases referred by the I.R.S. and the U.S. Attorneys' Offices and to handle the appeals resulting from these cases.

To supervise and, as appropriate, prosecute criminal tax cases involving tax protesters schemes involving money laundering, off-shore banking operations, and other criminal tax evasion activities.

To monitor and occasionally participate in criminal Grand Jury Investigations conducted by the U.S. Attorneys' Offices and to review Grand Jury evidence to determine whether prosecution for tax crimes should be authorized.

To serve as the liaison with U.S. Attorneys' Offices throughout the nation and with the Criminal Investigation Division of the I.R.S.

To protect the revenue interests of the Federal Treasury by ensuring that illicit tax shelter and tax evasion schemes are discovered, thoroughly investigated, and successfully prosecuted.

Base Program Description: The Tax Division's Criminal Tax Prosecution program is crucial to the overall effort to enforce the nation's tax laws. In particular, the Criminal Enforcement Sections' aggressive investigation of off-shore banking and money laundering activities involving significant amounts of illegally withheld taxes has contributed greatly to minimizing the potential revenue loss for the Federal Treasury. Criminal Tax attorney involvement is initiated when a criminal tax matter is referred to the Division by the Internal Revenue Service. Upon referral of such matters, a program attorney reviews the case to determine the level of complexity and importance. Routine cases are quickly transmitted to the appropriate U.S. Attorney's Office for investigation and prosecution. Complex criminal tax cases, on the other hand, are more thoroughly reviewed by our attorneys to determine the most appropriate means with which to investigate and/or prosecute the matter in question. Prosecutions of criminal tax cases are generally conducted by the U.S. Attorneys' Offices but Tax Division involvement is sustained throughout the case. Specifically, our Criminal Tax attorneys provide advice on evidentiary problems, trial tactics, and plea bargaining; prepare indictments, legal memoranda, and trial briefs as required; and monitor the status of criminal tax cases pending in the U.S. Attorneys' Offices. Our attorneys handle Grand Jury Investigations, trials, and appeals when requested by the U.S. Attorneys, for example, when particular tax expertise is required or the U.S. Attorney's Office declines the case but the Division feels that it warrants further investigation. In addition, Tax Division Criminal Tax attorneys are heavily involved in prosecutions associated with tax protesters and tax shelters.

Accomplishments and Workload: Workload accomplishments of the Criminal Tax Prosecution program are presented in the following table:

	1988		1989		Estimates 1990		Estimates 1991	
	# Cases	# Subj.	# Cases	# Subj.	# Cases	# Subj.	# Cases	# Subj.
1. Pending Beginning FY								
a. Criminal Section	316	487	267	400	282	425	294	443
b. USA's Offices	79	146	154	215	162	226	170	238
c. Grand Jury Investigations	33	193	112	277	296	555	459	749
2. Cases Received								
a. Complex	742	1,079	778	1,051	817	1,104	858	1,160
b. Non-complex	196	214	137	140	145	148	152	155
c. Outgrowths	553	921	551	950	580	998	610	1,048
d. Returned for Supp.	216	309	223	329	234	345	246	362
Total Cases Received	1,707	2,523	1,689	2,470	1,776	2,595	1,866	2,725
3. Total Grand Jury Investigations Received	551	1,587	584	1,649	613	1,730	644	1,815
4. Closings								
a. Cases	1,415	2,109	1,114	1,734	1,170	1,821	1,228	1,912
b. Grand Jury Investigations	477	1,766	400	1,371	450	1,536	475	1,613

The Division's Criminal Section attorneys frequently become involved in highly publicized cases with widespread ramifications. For example, Criminal Section attorneys have been heavily involved in litigation arising from "Operation Illwind", the Pentagon's investigation into alleged bribery of Defense Department officials by private consultants to gain inside information on Government contracts.

In United States v. Charles F. Gardner, Criminal Section attorneys were successful in obtaining a guilty plea from the defendant, a former vice-president and general manager of Unisys Corporation. Gardner pled guilty to three charges including: willfully aiding and assisting in the preparation of a false corporate tax return; conspiracy to commit bribery of an official of the United States Navy; and conspiracy to file false statements with the United States Government. Gardner entered a guilty plea to having bribed Melvyn R. Paisley, the then Assistant Secretary of the Navy for Research, Engineering, and Systems, to influence Paisley in his official duties, including decisions and actions pertaining to two specific defense contracts. Gardner, at the request of defense consultant James G. Neal, a co-conspirator, arranged for the purchase of a condominium [illegible] Valley, Idaho, which was owned by Paisley. Gardner instructed James G. Neal, the owner of Deltech, Inc., that the condominium was to be purchased for $149,000 and that no negotiations or attempts to lower that price were to be undertaken even though the condominium was overpriced. Significantly, the condominium was subsequently sold for $100,000. Gardner is only one of many individuals implicated in the "Operation Illwind" scandals.

Neal, owner of Deltech, Inc. and a private consultant for the Unisys Corporation, pled guilty to three separate felony counts. The first count charged that Neal engaged in a multiple conspiracy to impede, impair, and obstruct the Internal Revenue Service and to commit bribery of a Federal official. The second count charged that Neal filed a false claim against the United States Government, and the third count charged that Neal willfully attempted to evade and defeat the income tax liability of Deltech, Inc. for the fiscal year ending September 30, 1986.

The Gardner and Neal tax pleas related to a scheme whereby Neal's company, Deltech, claimed $292,000 in false income tax deductions for the fiscal year in question. The additional taxes due and owing were approximately $114,073. The scheme was engineered to conceal money siphoned from the Unisys Corporation to be used to make illegal bribes to Department of Defense employees and consultants in order to influence the award of Government defense contracts. The money was also used to make illegal campaign contributions to U.S. Congressmen. Significantly, both Gardner and Neal are now cooperating with the on-going "Operation Illwind" investigation. Additional tax indictments and guilty pleas are anticipated.

In yet another highly publicized criminal tax investigation, United States v. Lyndon LaRouche, a Tax Division attorney played a critical role in obtaining the conviction of Lyndon LaRouche on December 16, 1988. LaRouche, a former Presidential candidate, was convicted of conspiracy to commit income tax evasion and mail fraud and was sentenced to fifteen years in prison. A Criminal Tax attorney assisted the U.S. Attorney's Office in the Eastern District of Virginia in the investigation and actual prosecution of the case.

LaRouche was convicted of conspiracy to evade his personal income taxes during the period 1980-1987; 1979 was the last year he filed an income tax return. LaRouche claimed that he was not required to file income tax returns because he had earned no income for the period in question. In reality, the LaRouche organization, the National Caucus of Labor Committees, paid for all of LaRouche's personal expenses.

The mail fraud convictions stemmed from the LaRouche organization's solicitation of loans from prospective investors. Part of the borrowed money was used to finance LaRouche's 1984 Presidential campaign. The Government proved that LaRouche defrauded lenders with false assurances of the financial stability of the LaRouche organization and that neither he nor his organization ever intended to repay the loans when they became due. Morever, LaRouche's organization diverted funds and spent $4.2 million on real estate in Virginia and thousands more on improvements for LaRouche's 200 acre Leesburg estate. Of the $4 million collected for LaRouche's unsuccessful Presidential campaign, only half was repaid and only $5 million of the $30 million collected for non-campaign purposes was ever repaid.

Another case exemplifying the importance of the criminal tax litigation conducted by Tax Division attorneys is the criminal tax shelter appeal United States v. Robert G. Wilson and Melvin Bogus. Following a jury trial in the Southern District of Florida, Robert G. Wilson and Melvin Bogus were convicted of conspiracy to defraud the United States Government, mail and wire fraud, tax evasion, and aiding and assisting in the filing of false and fraudulent tax returns. The charges stemmed from their promotion and sale of a tax shelter scheme in which taxpayers claimed losses for non-existent trades in Treasury Bills and Government National Mortgage Association mortgage certificates ("Ginnie Maes"). The program was actively promoted for three years, 1978, 1979, and 1980. For the years 1978 through 1980, the number of investors in the tax shelter approached 2,500. Of significance, the fraudulent losses generated by the tax shelter scheme amounted to more than $140 million. Wilson was sentenced to imprisonment for a total of 18 years and Bogus was sentenced to imprisonment for a total of 13 years.

Finally, in United States v. David A. Taggart and James L. Taggart, Tax Division attorneys obtained the convictions of David A. Taggart and James L. Taggart on all eleven felony counts with which they had been charged. The prosecution arose out of the Praise The Lord (PTL) television ministry of James O. Bakker and Tammy Faye Bakker. David Taggart served as the executive vice-president of PTL and as a personal assistant to James O. Bakker. James Taggart was a co-owner, with his brother, of an interior decorating firm whose primary client was PTL. The Taggarts failed to report $1.2 million of income.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal tax prosecution............	120	117	$8,143	120	117	$8,422	...	...	$279

An additional $279,000 is requested for the Criminal Tax Prosecution program. Of this amount, $200,000 is required for automated litigation support, which will be particularly useful in the Section's efforts to address effectively litigation arising from the country's financial institutions crisis. The remaining $79,000 is being requested to fund additional travel costs which will be incurred as a result of the Criminal Sections' involvement in the Bank (savings and loan) Task Forces being established throughout the country.

Additional funds for automated litigation support are required to address the rapidly growing financial institutions litigation now emerging. The application of automated litigation support to complex and document-intensive cases is critical to the criminal tax enforcement efforts of our attorneys. Currently, Tax Division attorneys are extremely disadvantaged in litigating against opposing counsel in the private sector because automated litigation support is not available to Tax Division attorneys. This disadvantage will be intensified as the Division attempts to assist the U.S. Attorneys and the I.R.S. in savings and loan tax-related litigation. Automated litigation support is not available from the U.S. Attorneys' Offices because our cases are generally tax-specific and thus separate from any matter being handled by the U.S. Attorneys' Offices.

The critical need for this litigation tool cannot be overstated in this era of increasingly sophisticated automation technology. Criminal Section attorneys have indicated that automated litigation support capabilities would have been invaluable in three recent cases with over 40,000 documents and 500 exhibits. The records in the savings and loan cases will undoubtedly dwarf those in these earlier cases. The request for additional funds for this important automated litigation support is clearly warranted by the critical nature of the undertaking. The President and the Attorney General have pledged that those guilty of crimes that, in the end, will cost the taxpayers billions of dollars will be brought to justice. Particularly in light of the highly sophisticated means employed by many of those who bilked the savings and loan associations, automated litigation support will be required if the Tax Division is to do its part in keeping the pledge made by the Administration.

The emergence of litigation arising from the financial institutions crisis will have a direct impact on the travel requirements of the Division's Criminal Sections. The Chief of the Internal Revenue Criminal Investigation Division in Dallas has advised us that he anticipates an additional 50 to 60 tax investigations will arise in 1990 and 1991. Division attorneys working on savings and loan matters will be traveling not only to Dallas, but to all regions in the country where the investigation of failed savings institutions reveals tax crimes. If our Criminal Tax attorneys are to provide legal support to U.S. Attorney and I.R.S. officials participating in the Bank Task Forces, additional funds for Tax Division travel requirements must be provided. The Division's request to cover these additional travel costs is extremely conservative, but the additional funds will permit the Tax Division to assist in ensuring the vital success of the President's Savings and Loan initiative.

It should likewise be noted that the Division has initiated efforts to provide greater assistance to the U.S. Attorneys's Offices in their general criminal tax investigation efforts by increasing its own criminal prosecution load. As a result, average travel time per attorney increased from 60 to 70 days per year in 1989. In fact, Criminal Sections' travel expenditures have risen $227,000 or 54 percent from 1987 to 1989. Even with this additional assistance, however, the U.S. Attorneys' Offices reportedly still have a substantial backlog of criminal tax cases. Even greater Tax Division assistance is thus required and, indeed, warranted. The Criminal Sections must have additional funding for travel if this greatly needed additional support is to be provided.

In summary, additional funding resources for the Division's criminal tax prosecution program will enable our Criminal Sections attorneys to provide all necessary support and assistance to the U.S. Attorneys and the I.R.S. in their joint efforts to enforce the nation's tax system and, in particular, to address aggressively the nation's savings and loan crisis. Every effort must be made to ensure that the Government's and general public's interests are adequately protected. With sufficient funding, the Tax Division will be able to provide the legal tax expertise required by the joint Bank Task Force efforts, and the opportunities for successful resolution of this emerging litigation will be greatly enhanced.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil Tax Litigation..............	339	317	$22,733	339	330	$24,198	339	330	$29,300	...	...	$5,102

Long-Range Goal: To litigate effectively all civil tax matters under dispute in an effort to maximize the tax revenues collected for the Federal Treasury and further enhance public compliance with the nation's internal revenue system.

Major Objectives:

To defend, and resolve fairly, all suits against the Government seeking a refund of taxes paid.

To represent the Federal Government in all injunctive, declaratory judgment, suppression, mandamus, jeopardy assessment, and other civil tax suits.

To provide all necessary legal advice and other support to the I.R.S. and the U.S. Attorneys' Offices in their efforts to enforce the nation's internal revenue system.

To maintain effective civil tax litigation operations by relying increasingly upon automation capabilities, including automated litigation support and automated legal research, in order to remain competitive with opposing counsel in the private sector.

To defend all civil tort actions brought against revenue officials, to discourage "nuisance" suits and to prevent harassment of I.R.S. officials and other Federal personnel.

To maximize the collection of unpaid taxes through successful litigation of all civil tax recovery suits and through prompt collection of all tax judgments issued in the Government's favor.

To participate in bankruptcy proceedings where tax claims are at issue in order to establish the Government's priority in relation to other creditors and to collect all non-dischargeable debts.

To seek Court orders enforcing administrative summonses issued by the I.R.S. in order to ensure that on-going tax investigations are not impeded.

To ensure adequate representation of the Government in the complex legal cases involving Federal immunity from State and local taxation, and in cases under Code Section 7428 governing the criteria for tax exempt status.

To maintain equitable Freedom of Information Act and Privacy Act programs so that a taxpayer's right to information concerning the policies and practices of the I.R.S. in enforcing the nation's tax laws is balanced with the I.R.S.'s ability to conduct effective tax investigations, to limit Government disclosure of tax return information, and to maintain third-party confidentiality.

To ensure that the financial interests of the Federal Government are adequately protected in a new and increasingly complex tax law enforcement environment.

Base Program Description: The Division's civil tax litigation efforts ensure that taxes legally owed to the Federal Government are in fact collected and that non-meritorius refund claims are denied. Civil Tax Litigation attorneys litigate suits filed by or against taxpayers in the U.S. District Courts and the U.S. Claims Court. That litigation includes: tax refund suits brought by taxpayers in the U.S. District Courts and the Claims Court which challenge I.R.S. determinations regarding individual and corporate Federal tax liabilities; recovery of monetary judgments for taxes owed; bankruptcy litigation; defense of suits brought against I.R.S. and other Government officials for torts violations allegedly committed in tax collection activities; and suits filed against the United States Government pursuant to certain provisions of 28 U.S.C. Section 2410. Other civil tax litigation includes: summons enforcement cases; declaratory judgments to determine qualifications for tax exempt status; injunctive relief and penalty cases against tax shelter promoters; and State and local tax immunity suits. In addition, our attorneys are now responsible for handling new sources of civil tax litigation arising from the enactment of the Taxpayer Bill of Rights and the Tax Reform Act of 1986.

In summary, the civil tax litigation efforts of Tax Division attorneys have resulted in the equitable and effective administration of the nation's internal revenue laws. More significantly, the successful efforts of our Civil Tax Litigation attorneys in enforcing those laws have generated substantial revenue for the Federal Treasury and have established favorable judicial precedents.

Accomplishments and Workload: Accomplishments of the Civil Tax Litigation program are presented in the following table:

			Estimates	
	1988	1989	1990	1991
1. Defense Monetary Claims				
a. Tax Refund Cases				
Pending	2,688	2,563	2,520	2,476
Received	1,083	1,107	1,140	1,197
Closed	1,208	1,150	1,184	1,243
b. Other Defense				
Pending	1,380	1,401	1,431	1,462
Received	962	948	967	986
Closed	941	918	936	955
2. Recovery of Money				
a. Bankruptcy Cases				
Pending	3,851	4,509	4,402	4,902
Received	8,284	12,286	13,515	14,867
Closed	7,626	12,393	13,015	14,317
b. Other Recovery				
Pending	2,132	2,057	1,999	1,966
Received	856	892	937	984
Closed	931	950	970	1,000
3. Federal Civil Programs				
a. FOIA/PA				
Pending	83	30	26	22
Received	17	26	30	35
Closed	70	30	34	38
b. Summons Enforcement				
Pending	674	278	178	200
Received	2,036	2,545	2,800	3,080
Closed	2,432	2,645	2,778	3,000
c. Other Enforcement				
Pending	716	723	710	696
Received	208	310	341	375
Closed	201	323	355	390

Workload data are obtained from the Tax Division's automated case management system data base. The 1988 and 1989 workload data reflect actual end of year caseload. The 1990 and 1991 workload projections are based on past historical trends and on information received from the I.R.S. regarding their anticipated workload stemming from a reprioritization of their tax enforcement efforts.

The Division's civil tax litigation program represents the most comprehensive of its litigating activities. The civil tax litigation conducted by our attorneys includes: (1) litigation in defense of monetary claims; (2) litigation for the recovery of money; (3) litigation to enforce Federal civil programs; (4) litigation under the provisions of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA); (5) litigation stemming from the Tax Reform Act of 1986; and (6) litigation arising from the Taxpayer Bill of Rights enacted on November 10, 1988.

While many of the cases handled by the Division's Civil Trial attorneys are highly important, the following examples demonstrate the critical role that the Division's Civil Trial attorneys play in enforcing the nation's tax laws and in protecting the fiduciary interests of the Federal Government.

In three related cases, the tax issues in question stem from revisions to the Internal Revenue Code enacted in 1986. These cases are: N.D Horton, Sr., et al. v. United States; Horton Homes, Inc. v. United States; and N.D. Horton, Jr., et al. v. United States. At issue in these cases are questions of first impression involving the new interest abatement provision of the Internal Revenue Code, Section 6404(e). Under this provision, the Secretary of the Treasury is now authorized to abate interest attributable in whole or in part to any error or delay by an I.R.S. officer or employee in performing a ministerial act. In the Horton cases, the taxpayer alleged that the Secretary erroneously failed to abate interest of $702,824. We have questioned the court's jurisdiction to determine whether the terms of the interest abatement statute are permissive rather than mandatory, and have raised such basic issues as the plaintiffs' entitlement to a jury trial and the standard to be employed in reviewing the Secretary's determinations under the statute. These cases involve investigations of seven related entities and 21 taxable periods. In addition, two widely-marketed tax shelters are implicated. While we recently prevailed in the trial court in Horton Homes, Chief Counsel, I.R.S., has indicated that these cases are merely the first of an expected flood of cases involving Section 6404(e).

Frequently, Civil Trial attorneys are required to take dramatic action to protect Federal revenues. For example, Civil Trial attorneys successfully represented the Government's interests in the recent bankruptcies of William Herbert Hunt and Nelson Bunker Hunt, the largest individual bankruptcies in history. Civil Trial attorneys were instrumental in drafting and obtaining Bankruptcy Court confirmation of plans of reorganization under which the Government will immediately receive $170 million from the Hunt brothers. These plans also provide for the Government to receive an additional $165 million out of the Hunt's future income. Another case in which Civil Trial attorneys obtained a substantial recovery is Roberto Duran v. United States, a case arising in the United States District Court for the Southern District of Florida. In this instance, Civil Trial attorneys filed suit to recover approximately $1.8 million in taxes erroneously refunded to Mr. Duran, a world-class boxer. In addition, the attorneys took steps to prevent Mr. Duran from leaving the country until he had repaid the amounts owing to the Treasury. The Civil Trial attorneys eventually obtained Mr. Duran's agreement to surrender his passport, to pay over certain assets to a trust account on behalf of the United States, and to an order prohibiting him from transferring any assets without the prior written approval of the United States. As a result of the efforts of our Civil Trial attorneys, we have collected and deposited a total of $1.8 million in refunds erroneously paid to Mr. Duran out of the proceeds of a prize fight.

Other significant trial level cases involve litigation conducted by the Tax Division's Claims Court attorneys. Tax refund suits in the Claims Court are very frequently the litigation vehicle of choice for large corporations and for tax counsel desirous of obtaining a nation-wide precedent by obtaining a decision in the one circuit with national jurisdiction, the Federal Circuit, which hears appeals from the Claims Court. As a result, the dollars at issue in the more than 650 tax cases pending in Claims Court are substantial--the average case involves $1.9 million.

Examples of cases being handled by the Tax Division in the Claims Court illustrate the importance of this litigation. For example, Claims Court suits in Shimota v. United States and George v. United States seek recovery of $87,000 in taxes for 1987 and challenge the treatment of the lump sum payments received by Federal retirees under a new statutory election. The Washington Post has reported that over $700 million in taxes hinges on the outcome of this suit. Furthermore, the potential taxes involved in this will increase each year as more retirees opt for the new election opportunity.

In yet another highly important case, Favell et al. v. United States, the Claims Court granted the Government's cross-motion for a partial summary judgment. The plaintiffs, professional hockey players who have non-resident status, argued that a portion of their income was excludable from U.S. taxable income because it represented compensation for activities performed outside of the United States during the off-season to fulfill their contractual obligation to report to training camp in good physical condition. Adopting the Government's argument, the Claims Court held that the off-season fitness programs were not required by the contracts at issue, that the off-season was not a contractually compensated period, and that therefore no portion of the compensation was excludable from U.S. taxable income. The fate of 193 similar cases hangs on the ultimate decision in this test case.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil Tax Litigation..............	339	330	$24,198	339	330	$29,300	...	...	$5,102

The Administration requests an additional $5,102,000 for the Tax Division's Civil Tax Litigation program. The additional funds requested provide $3,700,000 to implement an urgently needed automated litigation support program. The remainder, $1,402,000, will allow the Division to fund, for the first time in several years, the workyear level authorized for the Tax Division. These additional funds are essential to enable the Tax Division to fulfill its litigating mission in the face of increasing caseloads and anticipated new sources of tax litigation stemming from recent legislative changes to the nation's internal revenue code.

1. Automated Litigation Support

The Tax Division has long recognized the value of applying automated litigation support to certain complex and document-intensive cases. Past requests for funding to implement an automated litigation support program have been supported by both Department officials and the Office of Management and Budget. However, Congressional action requiring each component to absorb across-the-board reductions has made implementation of an automated litigation support program impossible. As a result, Tax Division attorneys have been hindered in their efforts to oppose private counsel who, in most instances, have unlimited access to this legal research technology.

An additional $3.7 million is required for the civil tax litigation activity in order to implement an automated litigation support program. The Tax Division intends to implement this program to address the 25 to 35 large, document and dollar intensive cases our Civil Trial attorneys litigate each year.

For example, the Division was heavily involved in pretrial proceedings in *In re ContiCommodities Services, Inc. Litgation* (N.D. Ill.). In this multi-district litigation, four tax refund suits are joined with litigation brought by investors in a Government security trading program operated by ContiCommodities Houston Arbitrage, a subsidiary of Continental Grain, Inc. In these tax refund suits, the investors are claiming more than $500,000 in tax refunds due to losses allegedly incurred by them in the program, with an additional $400,000 in interest at stake. (There is related Tax Court litigation in which these investors and others have claimed an estimated $25 million in losses.) Over 140 depositions have been taken on the tax-related portion of this case, involving more than 250 days of work. Nine thousand multi-page exhibits, totaling over four million pages have been produced by the various parties to this litigation. Two depositories, one in Houston and one in Chicago, have been established to house the primary source documents, such as internal memoranda and commodity futures tickets. Although the Tax Division has attempted to use personal computers to store the deposition testimony, the only feasible manner in which to control this massive documentation and search the millions of pages of deposition transcripts and exhibits is through automated litigation support.

In a second case, the *Barrister* tax shelter case, the Government is trying to collect $25 million in tax penalties from the three principals involved in the scheme. The transactions involve 95 partnerships with 30 to 40 investors each for two tax periods. Tax Division attorneys have been called upon to review 2 five-drawer file cabinets of background documents from informal sources, 100,000 documents provided by the plaintiffs, valuation appraisals of 300 books by 4 separate appraisers and the testimony of 35 individuals deposed by our attorney and 50 deponents in related matters. Tax Division attorneys and paralegals have recorded 2,800 hours of time on this case during pretrial preparation and now must organize this mass of complex financial information into a case with no automated litigation support system and only limited personal computer storage.

A third example of a case warranting automated litigation support is the bankruptcy proceeding in *In re Stephen J. Klemen*. In this case, the Government filed a $12 million proof of claim with the trustee, who is holding $5.6 million in assets. Over 250 boxes of evidentiary documents filled with partnership information and commodity transactions data were obtained by the Tax Division attorney handling the case. In addition, 15 depositions have been taken during the discovery phase of the case. While the document count is smaller than in some of our cases with high automated litigation support potential, the real dollar value ($5.6 million) of this case and the abbreviated time frame typical in bankruptcy litigation increase the need for automated litigation support substantially.

Finally, in the *Noske* tax shelter case, discovery has recently been completed, resulting in the production of evidentiary material from 65 deponents and exhibits related to 186 different trusts. There are potentially one hundred witnesses who could be called upon to testify during the trial. The total number of documents received is estimated at 500,000 pages. The attorney assigned to this case is, with the help of our paralegal staff, loading the material into a wordprocessing system with limited cross-referencing and indexing capabilities. Clearly, the system is inadequate to handle the volume of documents and the method is extremely costly due to the labor intensive nature of inputting documents.

The ability to provide automated litigation support to specific categories of civil tax cases would accomplish several important objectives. Automated litigation support would provide our attorneys with the ability to index documents, cross reference evidence collected, and rapidly retrieve all information relevant to the tax law issues at suit. Additionally, it would provide a brief bank indexed by issue for our attorneys to utilize in order to expedite their litigation efforts. Automated litigation support would also enable Tax Division attorneys to analyze *all* case-related documents more thoroughly; create detailed chronologies of evidence; and most importantly, prepare the most comprehensive and effective legal arguments possible against opposing private sector counsel.

Comprehensive indexing and cross-referencing of documents in these large, voluminous cases would enable our attorneys to abstract readily all information pertinent to the tax issues in litigation. As a result, more comprehensive and timely legal arguments could be developed. This is critical to the litigating efforts of Tax Division attorneys who must argue against opposing counsel who are increasingly relying upon sophisticated office automation and legal research technologies in their efforts to defend their clients. Clearly, the lack of automated litigation support places Tax Division attorneys at an extreme disadvantage in the courts. This constantly growing gap can only be filled if automated litigation support and other technologically sophisticated legal research tools are made available to our attorney personnel.

The Division's need for automated litigation support has intensified significantly over the past several years. This has resulted, in part, from the I.R.S.' emphasis on multi-issue and large dollar and document intensive cases. This new enforcement strategy is not in lieu of addressing more traditional tax enforcement matters. Hence, Tax Division attorneys are now required to litigate both the more traditional enforcement workload, as well as the large, document and dollar intensive cases now being referred by the I.R.S. These new matters involve reams of documents, extensive discovery, and numerous depositions, and thus clearly lend themselves to the application of automated litigation support. Further, these cases are not only document-intensive, but also revenue-intensive, thereby clearly warranting the expenditure of funds for automated litigation support. The most effective way to ensure that our attorneys are able to review and analyze the hundreds of thousands of case-related documents involved in these cases, and to ensure that the most effective legal arguments are developed, is to rely upon automated litigation support for assistance.

2. Restoration of Workyears

The additional funding requested to restore the Tax Division to its authorized workyear level provides funding associated with 21 unfunded attorney workyears and 8 unfunded clerical support workyears. Congressional reduction to the Division's appropriated funding needs has required us to absorb these reductions through personnel cost savings. Since personnel costs comprise approximately 75 percent of the Tax Division's budget, this is the only area in which the required level of reductions could realistically be achieved. As a result, staffing levels, and our attorney staffing levels in particular, have declined seriously, to the detriment of the Division's ability to meet its goals.

a. Return on the Dollar

The importance of providing funding to restore the Tax Division to its authorized personnel strength is clear when one considers the crucial role played by the Division in protecting the financial interests of the Federal Treasury. The revenues involved in the litigation conducted by Tax Division attorneys are frequently extraordinary. Of equal importance, the favorable judicial precedents obtained by the Division protect against future raids on the Treasury. Hence, it is essential that the actual staffing requirements of the Tax Division be fully satisfied so that the Division can continue the impressive level of performance it has traditionally maintained. A sufficiently staffed and funded Tax Division is particularly important when one considers the massive revisions to the nation's internal revenue system enacted under the Tax Reform Act of 1986. Subsequent changes to the nation's tax laws and the Internal Revenue Code likewise mandate that the Tax Division be sufficiently staffed in order to address unprecedented challenges to the country's revenue generating system.

Demonstrating the Tax Division's important role in protecting the public fisc is a simple matter. The Tax Division annually defends cases representing many billions of dollars of potential lost revenue. For example, in the case of United States v. Ptasynski, 462 U.S. 74 (1983), the Division was successful in obtaining a Supreme Court decision upholding the constitutionality of the Windfall Profit Tax Act of 1980. A number of oil companies attacked the tax on the ground that an exemption provided therein for certain Alaskan oil companies violated the Uniformity Clause of the Constitution. The Supreme Court, however, upheld the tax thereby preventing the loss of as much as $76 billion of tax revenue. This case is of particular significance because it reflects the relatively short span required for new tax legislation to be contested in the courts, where Tax Division attorneys must then conduct the litigation. Likewise, recently enacted legislation, such as the Taxpayer Bill of Rights and specific changes to the Internal Revenue Code, is likely to stimulate additional litigation in 1991. The Tax Division must have its full complement of attorney and support personnel if this new source of workload is to be addressed effectively.

Another case, AmSouth Bank Corporation v. United States, illustrates that for every dollar invested in the Tax Division, literally tens of thousands of dollars of potential losses to the Federal Treasury are avoided. This case involves the issue whether a bank may amortize that portion of the price it paid to acquire another bank. The purchaser/banks have claimed that amounts paid for checking and savings accounts constitute depreciable "core deposits" which may be written off against income. Although this case directly involved $1.6 million, the issue presented appears in conjunction with many bank acquisitions and has been estimated by the I.R.S. to involve upwards of $3.5 billion on an industry-wide basis.

Our Civil Trial attorneys are also litigating several cases involving the foreign tax credit provisions of the Internal Revenue Code. One such case, Continental Illinois Co. v. United States, involves the issue whether a bank can take a foreign tax credit for fees imposed by Brazil and Argentina on loans. The I.R.S. has estimated that, on an industry-wide basis, this issue involves several hundred million dollars.

In sum, if the Tax Division is to maintain its level of exceptional litigation, the requested funds to restore the Division to authorized workyear strength is absolutely essential. For every Tax Division position left unfunded, the Federal Treasury stands to lose far more than it gains. If, by virtue of inadequate staffing, the Tax Division loses one case it might otherwise have won, the loss to the Federal Treasury could easily exceed the entire budget of the Tax Division.

b. New Sources of Litigation

i. Taxpayer Bill of Rights

The Tax Division's role as protector of the fisc has assumed even greater importance as a result of recently enacted changes to the nation's tax laws. Specifically, the Taxpayer Bill of Rights enacted on November 10, 1988 and changes made to the Internal Revenue Code under the interest abatement provisions of the Tax Reform Act of 1986, will increase the workload of the Division substantially. To address these new sources of civil tax litigation, the Division must be restored to authorized, but currently unfunded, staffing levels.

The Taxpayer Bill of Rights was enacted as Sections 6226-6247 of the Technical and Miscellaneous Revenue Act of 1988. Several key provisions in the new legislation have a direct bearing on the future workload of the Division's Civil Trial attorneys. One provision amended Internal Revenue Code Section 7430 pertaining to the award of attorney fees to successful litigants in tax cases. Typically, attorney fees are potentially recoverable by a taxpayer whenever the Division loses all or a significant portion of a case. Likewise, attorney fees can be awarded to the taxpayer in instances where the Government concedes the case. In the past, the administrative actions of the I.R.S. generally could not be the basis for a recovery. The Taxpayer Bill of Rights, however, expands Section 7430 to provide for the award of attorney fees based on I.R.S. administrative actions. The revision means that even if the Government's litigating position in a case is reasonable, a taxpayer can nonetheless continue with the suit, seeking an award for attorney fees under Section 7430. At this point, Tax Division attorneys would be required to litigate the issues of whether the I.R.S. was substantially justified and whether the amount claimed by the taxpayer was reasonable. The actual workload impact of this revision alone can only be estimated until experience demonstrates actual litigation trends. However, both I.R.S. and Tax Division officials firmly believe that taxpayers will press fee claims allowable under this new provision aggressively in order to recover the often substantial legal fees incurred at the administrative level.

A civil damage action provision of the new statute will likewise generate a new source of civil tax litigation for the Division's Civil Trial attorneys. Previously, taxpayers did not have a specific right to bring an action against the Government for damages sustained due to unlawful actions taken by an I.R.S. official or employee. The new statute now grants taxpayers the right to sue the Federal Government in Federal District Court for damages if in connection with the collection of any Federal tax, an officer or employee of the I.R.S. recklessly or intentionally disregards the Internal Revenue Code. It is expected that this provision will be utilized extensively by taxpayers because not only can the taxpayer recover the costs of the actions, but he or she can recover all economic damages sustained as a proximate result of the unlawful actions or inaction of the I.R.S. employee. To add further burden to the litigation responsibilities of Tax Division attorneys, this concept of civil damage actions is new so that careful and time-consuming preparation of these cases is essential in order to establish favorable judicial precedents.

Finally, the new statute grants taxpayers a right to bring an action for damages resulting from the wrongful failure to remove a lien on a taxpayer's property. Under the new legislation, taxpayers can sue the Federal Government in Federal District Court if any I.R.S. employee knowingly or negligently fails to release a lien on the taxpayer's property as required under the Code. Moreover, the legislation permits taxpayers to recover the costs of the action and damages equal to the actual direct economic damages resulting from the actions of the I.R.S.

The 1988 Taxpayer Bill of Rights provides taxpayers with unprecedented avenues to recover monetary claims against the Federal Government. Undoubtedly, many taxpayers will seek to take advantage of these provisions. And as public knowledge of the provisions in the Taxpayer Bill of Rights becomes more widespread, caseload increases are a virtual certainty. Tax Division Civil Trial attorneys can only manage these new sources of litigation if funding is made available to restore the Tax Division to its authorized level of personnel strength.

ii. Interest Abatement Litigation

Changes to the nation's Internal Revenue Code enacted under Tax Reform Act of 1986 have also generated a new source of workload for our Civil Trial attorneys. Under the revised Code, the Secretary of the Treasury, for the first time, is authorized to abate interest attributable in whole or in part to any error or delay by an I.R.S. officer or employee in performing a ministerial act. Under the revised Code, a taxpayer can now process a claim for abatement of interest which, if denied, can be appealed administratively within the I.R.S. Once administrative avenues for the claim are exhausted, and the taxpayer pays the interest in full, he or she can file a claim for a refund in Federal District Court.

Currently, there are more than 5,000 applications pending for abatement of interest in the I.R.S.'s Examinations and Appeals Unit. Approximately the same number of claims were decided in the past year--with a denial rate of over 88 percent. Although it is too early to predict the number of denied claims that will result in a refund suit being filed, the potential universe of claims is large enough to make the requested workyear restoration absolutely essential.

The Division's Civil Trial attorneys currently litigating the interest abatement cases for the Tax Division estimate that it will take over 300 attorney hours to prepare and try one particular case alone. Assuming that each case requires only 300 hours, receipt of six such cases in a year will consume an entire attorney workyear. The fact that there were over 5,000 claims processed last year with 5,300 more claims pending, and knowing that over 8,750 of these claims will be denied, makes it certain that the Tax Division will receive a substantial number of abatement cases in 1991. The amounts are not always large in interest abatement claims, but it is likely that any significant denied claim will be appealed and will result in litigation. Unless the requested funds to restore the Tax Division to staffing strength are forthcoming, this new source of tax litigation will burden severely an already burdened staff.

iii. Debt Collection/Bankruptcy Matters

Restoration to authorized staffing levels will also enable the Division to intensify its efforts in more traditional areas of civil tax litigation, such as debt collection and bankruptcy matters. Finally, restoration of authorized staffing levels will permit the Division to deal with workload resulting from heightened I.R.S. activity in tax collection, enforcement litigation, and international tax programs. In addition, a fully staffed Tax Division will ensure that large cases involving more than 1,000 hours of attorney time, including a substantial and increasing number of cases involving specialized industries such as financial institutions, are litigated effectively.

With regard to the Division's debt collection program, the Division has long recognized some deficiencies in its debt collection efforts due to staffing shortages and other budgetary constraints. Existing staffing levels are insufficient to permit our attorneys to handle all of the activities associated with debt collection matters. The critical importance of collecting debts owed to the Federal Government is obvious. However, the primary mission of the Tax Division is tax enforcement litigation. Insufficient staffing levels, burdensome caseload dockets, and mandatory requirements to meet court imposed deadlines, often preclude our attorney personnel from actively following up on debt collection matters. As a result, the full revenue-generating potential of the Tax Division goes unrealized.

As of the end of 1989, a total of only $25.3 million had been collected by the Tax Division and deposited in the Federal Treasury. For the same time period in fiscal year 1988, a total amount of $32.8 million had been collected. Moreover, as of the end of 1989, 659 debt collection cases were outstanding with a total balance involving slightly more than $152 million. The Division has taken steps to intensify its efforts in the area of debt collection, but continues to suffer from a lack of resources to maximize its debt collection potential, while still meeting other pressing litigating priorities. Maintaining an effective debt collection program, in which debts owed to the Federal Government are pursued actively and in a timely manner, can only be accomplished if additional funding is provided to restore the Tax Division to its authorized workyear level.

In a related vein, the Division has seen a significant increase in the number of bankruptcy cases it is required to litigate. Since the amount owed to the Government is the primary issue in bankruptcy proceedings, the successful determination of the Government's claim affects the potential amount of money eventually collected by the U.S. Treasury more directly than in any other type of case the Division litigates. Bankruptcy caseload increased by 37 percent from 1987 to 1988, from 6,054 cases to 8,284 cases. And it rose by 48 percent over 1988 in 1989 when the Division received 12,286 new cases. At the same time, with bankruptcy caseload reaching unprecedented levels, authorized staffing levels have remained static, and in actual fact have declined due to a rising attrition rate. While our attorneys are attempting to manage this ever growing caseload, the situation has forced a concurrent decrease in the average number of attorney hours spent on each bankruptcy case. The logical outcome of this shift in our ability to spend adequate time on bankruptcy matters is a decline in the amounts of money determined to be owing and payable to the Government. The Division must be fully staffed both to litigate effectively the increasing number of bankruptcy cases we are receiving and to make some in-roads to reduce the number of actual cases which remain pending.

iv. General Workload Increases

The 1990 President's request for the Internal-Revenue Service asked for a 10 percent increase in personnel for enforcement litigation and international tax programs, and a 2.5 percent increase in collection personnel. The recent 1990 budget agreement reached by the Administration and the Congress calls for an additional $500 million for tax law enforcement. The increases represent the continuation of a trend under which the I.R.S. has, over the past four years, received nearly a 20 percent increase in funding for its collection and enforcement activities. During the same time, the Tax Division has received only a 2 percent increase in funding. The additional I.R.S. activity funded by this budget growth, is and will continue to be, reflected in the number and complexity of civil litigation cases in the Tax Division. As a result, the staff funded currently is becoming increasingly overburdened. Staff level restoration would go a long way toward alleviating some of this workload burden. In sum, it is the responsibility of the Tax Division to put teeth into these new enforcement efforts. This can only be accomplished if full funding is provided to restore the Division to authorized workyear strength.

With part of the funding increases it has received, the I.R.S. has targeted cases involving either substantial dollar amounts or issues having industry-wide importance. Reflecting this new emphasis, the number of cases on which Tax Division trial attorneys spent over 1,000 hours rose from 29 in 1988 to 36 in 1989. It is important to put this figure in perspective: over 18 of the Civil Trial attorneys, or approximately 13 percent of the total number of Civil Trial attorneys, thus spent all their time working on cases that represented approximately 0.3 percent of the total number of cases pending in the Civil Trial sections. Since the Division is only now beginning to deal with the first of the number of cases to be produced by the I.R.S.' large-case initiative, the Civil Trial sections must be sufficiently staffed or face the prospect of increasing the already crowded dockets of their attorneys, each of whom, on average, is already responsible for over 80 cases.

Among the large cases being received by the Tax Division are those involving specialized industries, including in particular, financial institutions. Some of these cases involve so-called "mortgage swaps", presenting the issue whether a savings and loan realizes a tax loss when it exchanges a pool of residential mortgages for a pool of substantially identical residential mortgages held by another financial institution. The variations on the "mortgage swap" technique appear endless: the seller can alter the appearance of the transaction by entering into servicing agreements or by marketing the swapped mortgages to private investors through selling participation interests in trusts.

Other banking cases received by the Division involve the issue whether a bank may amortize that portion of a deposit base obtained in the purchase of another bank that includes checking and savings accounts--assets the banks have described as "core deposits". The "core deposit" cases represent an attempt by the banks to depreciate their customer bases. If the banks are successful in this regard, it can be expected that other industries will follow suit and attempt to depreciate their customer bases. The impact on the Treasury of such cases would be staggering. Indeed, on an industry-wide basis, the "mortgage swap" and "core deposit" cases already represent upwards of $4.5 billion in potential lost revenue. The number of cases received by the Division involving these two issues has increased from 4 in 1988, to 10 in 1989, with an expectation that the Division may receive as many as 16 such cases in 1990.

It is also anticipated that the Division will be receiving a substantial number of cases as the result of enhanced I.R.S. efforts in the area of international tax enforcement. In particular, the Division likely will receive substantial litigation involving Section 482 of the Code, under which section the I.R.S. may allocate income, deductions, and other tax items among related corporations to prevent the evasion of taxes or to reflect the corporations' incomes clearly. A recent "White Paper" issued by the Department of the Treasury suggests that I.R.S. enforcement efforts involving Section 482 will not only result in the Division receiving substantive tax cases involving millions of dollars of revenue and perhaps roomfuls of documents, but also a number of cases involving I.R.S. attempts to obtain documents from foreign corporations. In order to handle these cases properly, particularly in light of the foreign policy ramifications that they present, the Civil Trial sections must be adequately staffed and funded.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration.....	99	103	$5,526	99	107	$5,940	95	103	$6,221	-4	-4	$303

Long-Range Goal: To provide Division-wide management and policy direction including: maintaining effective programs in response to Administration, Congressional, and Departmental priorities; ensuring timely review and analysis on proposed legislation affecting the nation's internal revenue system; fulfilling the Division's administrative responsibilities under the Freedom of Information and Privacy Acts, and Section 6103 of the Internal Revenue Code; maintaining effective liaison with the Internal Revenue Service, U.S. Attorneys' Offices, and other client agencies; and providing essential administrative, financial, information systems, and other administrative support services required by Tax Division employees.

Major Objectives:

To provide policy guidance and direction to all litigating components of the Tax Division.

To represent the Tax Division effectively in its dealings with the I.R.S., the U.S. Attorneys' Offices, and other Department components.

To argue successfully on behalf of the Division to obtain necessary funding and programmatic resources in order to sustain effective litigating operations.

To provide all required financial, technical, personnel, and other support services to components throughout the Division.

To ensure the fiscal solvency of the Tax Division under a continuing series of budgetary constraints.

To supervise the implementation of Project EAGLE office automation so that the information systems technology needs of the Tax Division are comprehensively met.

Base Program Description: The Executive Direction, Legislative Affairs, and Administrative Services components of the Tax Division provide the necessary leadership, policy guidance and direction, and administrative support to maintain a viable Tax Division effectively serving the litigative needs of the I.R.S., the U.S. Attorneys' Offices, other components of the Department of Justice, and other client agencies. The Division's executive leadership ensures that appropriate and uniform policies involving civil and criminal tax law enforcement are established. Likewise, the Division's management and policy officials promote and maintain cooperative communications and liaison with the I.R.S., U.S. Attorneys' Offices, other Department of Justice components, and other external client agencies. The legislative affairs program serves to review and analyze legislative proposals which directly affect the litigating mission of the Division. In addition, the legislative affairs program ensures that all legislative reports required by the Congress, the Office of Management and Budget, and the Department of Justice are professionally prepared and provided on a timely basis. Appropriate and timely responses are also required in handling matters under the Freedom of Information and Privacy Acts.

The Administrative Section provides Division-wide administrative, fiscal/budgetary, information systems technology, personnel, and other administrative support services. The Administrative Section is divided into five essential components including: (1) the Executive Office which provides overall control and guidance; (2) the Comptroller's Staff which is responsible for all financial, budgetary, program evaluation, and travel processing activities of the Division; (3) the Information Resources Staff which is responsible for the implementation and maintenance of the new Project EAGLE office automation system, and for providing all other information systems support required by Division personnel; (4) the Personnel Staff which monitors recruitment, hiring, and training of Division personnel, as well as providing all other necessary personnel services; and (5) the Services Staff which manages resource services, security, case and file control, procurement, facilities management, and all other service support functions required throughout the Division.

Accomplishments and Workload

The Division's senior executive management remains committed to maintaining and, indeed, improving the standards of quality that have been the hallmark of the Tax Division for over fifty years. This commitment is reflected both in demonstrated improvements in cooperative relations with other Governmental organizations and in management innovations implemented internally within the Tax Division.

Recognizing that uniform and equitable enforcement of the nation's tax laws requires a team effort, the Division has fostered heightened cooperation with the Internal Revenue Service, the U.S. Attorneys' Offices, other Department components, and other client agencies responsible for enforcing public compliance with the nation's internal revenue system. Tax Division participation in the Organized Crime Drug Enforcement (OCDE) Task Forces, and the Bank Task Forces established to address the country's savings and loan crisis, clearly demonstrates a commitment to playing a critical role in enforcing the nation's tax system. Similarly, the Division has played a role in the negotiation of bilateral treaties, such as the Mutual Legal Assistance Treaties (MLAT), which gives the United States Government access to individual and corporate financial information in both civil and criminal tax cases. These treaties are critical to the Government's efforts to enforce the nation's tax laws, to interdict international money-laundering and tax shelter schemes, and to ensure public compliance with the internal revenue system.

Internal management improvements have been made to ensure responsible fiscal management within the Division. Currently, each Office/Section Chief is directly responsible for monitoring expenditures within his/her section and is required to limit expenditures to remain within existing office/section budget allocations. This management policy represents Executive leadership's concern with involving Division-wide managers in assuming more responsibility for the fiscal solvency of the organization. At a time of increasingly limited resources, management's involvement in monitoring expenditures is critical.

In addition, the Division's Criminal Section has been reorganized into regional jurisdictons in order to provide more effective leadership in the area of criminal tax law enforcement. As a result, line attorneys are now assigned to help U.S. Attorneys' Offices try criminal tax cases in a particular region on a regular basis in the hope that tax cases will get processed faster, that individual attorneys will acquire more litigation experience, and that a closer relationship in general can be fostered between the Division and the field. In addition, our Criminal Tax attorneys are now actively involved in litigation stemming from the OCDE Task Forces and the Bank Task Forces.

Of most significance, the Division's leadership has participated closely with the Executive Office for U.S. Attorneys and the Criminal Division to develop and implement a uniform office automation system, known as Project EAGLE. Contract award has now been made and implementation is scheduled to begin in February, 1990. With the sophisticated office automation environment provided under the Project EAGLE system, the Tax Division, for the first time, will be at a competitive advantage with opposing private sector counsel.

The Division has also established an internal training office to meet the tax-specific training needs of all Tax Division employees, particularly new line attorneys. The Training Office addresses the training requirements of attorney, paralegal, clerical, and administrative personnel at minimal cost, as many of the sessions are conducted internally. More-importantly, the Division's Training Office will be actively involved in both coordinating and providing necessary training associated with the new Project EAGLE office automation system.

Tax Division executives have intensified scrutiny of the fiscal policies, information systems, personnel performance, employee training, and other administrative support functions required by the Division. Significant improvements have been made in all of these areas.

Expenditures are carefully monitored, payments are promptly posted, and financial reports are routinely reviewed for accuracy and any necessary reconciliation. These activities have enabled staff to make recommendations to the Division's executives as to how best to allocate limited funds. As a result, the Division has continued to remain fiscally solvent despite a continued series of Congressional across-the-board reductions to the Department's appropriations as a whole.

The Division's new information technology systems, Project EAGLE, will now bring the Tax Division into the sophisticated office automation environment of the 1990's. As currently scheduled, in February, 1990, the new highly sophisticated Project EAGLE office automation system will begin to be implemented. An aggressive implementation schedule has been developed, looking to Division-wide implementation by the end of 1991. The new system will provide calendaring, electronic mail, word processing, and other data base capabilities. More significantly, the Division's current case management system is being redesigned so that Division-wide managers will be able to have specific and more detailed information which cannot now be retrieved from the case management system. In sum, with the successful implementation of Project EAGLE office automation, the Tax Division will, for the first time, be brought into the highly sophisticated technological environment of the 1990's.

The Personnel Staff in the Administrative Section effectively processes the necessary paperwork for all Division-wide personnel and payroll actions. It also enters relevant personnel data into the Division's automated personnel system and coordinates the Division's electronic time and attendance project. Other services provided by the Personnel Staff include: advising Section managers on hiring, promotion, and separation procedures; scheduling and accounting for training; coordinating the uniform application of workplans and performance appraisals; and tracking employee time and attendance, including daily reports on leave usage and travel. The Division's new automated personnel system also provides employee security clearance and emergency locator information and enables the automated tracking and scheduling of attorney applicant interviews. In addition, the Personnel Staff coordinates the Division's participation in the Department's Honor Law Graduate Program.

The Services Staff of the Administrative Section coordinates and manages Division-wide procurement; controls and distributes all office supplies, equipment, and attendant maintenance service; maintains Division-wide mail, messenger, filing, and records management services; and arranges for office renovations and furnishings. An automated inventory system has been established and is relied upon to monitor and administer these functions. In addition, the Services Staff is responsible for facilities management including office moves, designing new office space, and general building maintenance. Building security requirements and coordinating the Division's security program are also the responsibility of the Services Staff.

In summary, financial, technical, personnel, and other support services provided throughout the Tax Division have resulted in productivity improvements in terms of improved fiscal management, in greater automated communications capabilities, and in the implementation of the sophisticated Project EAGLE office automation technology. As a result, the Tax Division continues to function efficiently and effectively despite declining staffing levels and increasing demands for more administrative support services from all Tax Division components.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration.....	99	107	$5,940	95	103	$6,221	-4	-4	$303

The Administration is requesting an additional $303,000 to implement critically needed recruitment and retention initiatives and to further develop an attorney professional career development program. In addition, the program requests a management savings reduction of four positions, four workyears, and $22,000.

Over the last year and a half, the Tax Division has reduced administrative overhead through efficiencies and automation. The Division plans to continue its efforts to work more efficiently through management initiatives designed to better develop employee staff. The funds requested will enable the Division to renew its emphasis on the recruitment and retention of personnel and further develop and expand our attorney professional career development program.

Recruitment and Retention

The Tax Division requires an additional $250,000 to implement an aggressive recruitment and retention program. The Tax Division is encountering the same difficulties in recruiting and retaining qualified individuals to perform its mission as other Federal agencies, problems described by the Office of Personnel Management in its study, "Civil Service 2000" as a "quiet crisis." The Tax Division's recruitment and retention problems are exacerbated by factors unique to the Division, principally the general shortage of attorneys and law graduates willing and able to litigate tax cases, the subject matter of which is increasingly complex and constantly changing. Another factor uniquely affecting the Tax Division's ability to recruit and retain attorneys is the increasing competition for qualified candidates from the Office of Chief Counsel for the Internal Revenue Service. This is to say nothing of the competition posed by private law firms who can offer new attorneys substantially greater financial benefits than those available in the public sector. Similar factors are impairing the Division's ability to hire and retain capable paralegals and secretaries. Personnel recruitment and retention are clearly the most critical management issues facing the Tax Division's current leadership.

We must maintain a stable core of able, conscientious litigators and support staff if we are to attain our goal of providing fair and consistent interpretations of complex tax statutes. Overall, Division records show that between FY 1982 and FY 1987, the average years of attorney service dropped from 8.4 to 7.3, which is below the Departmental average of eight years. Even more significantly, for FY 1987, the Division's attorney turnover rate was 16 percent, as compared to the Departmental average of 10 percent. Perhaps more telling, however, is the fact that between FY 1982 and FY 1987, the percentage of attorneys on-board with less than four years experience rose from 42 to 57 percent. Indeed, in some sections, the percentage of attorneys on-board with less than four years experience is approaching 75 percent.

Many of the factors hindering the Tax Division's recruitment and retention of attorneys also affect its ability to develop and maintain a staff of quality paralegal and secretarial personnel. Again, low salaries pose the greatest obstacles to our efforts to recruit and retain qualified personnel. By the time legal secretaries reach the GS-7 salary level, which is generally the highest grade offered by the Division, they are receiving approximately 30 percent less than their counterparts in the private sector. In light of these figures, it is not surprising that the annual turnover rate of secretaries in the Tax Division is exceedingly high. In fiscal year 1988, for example, the turnover rate was 37 percent, or approximately double that experienced by the Division in any one fiscal year between 1978 and 1984. Indeed, since fiscal year 1985 the turnover rate has never gone below 33 percent. This increased turnover rate is particularly troublesome because it comes after a period in which the Tax Division responded to budgetary constraints by reducing the size of its support staff through increased usage of computer wordprocessing. Heightened turnover is thus being experienced at a time when each of our secretaries takes longer to train and has greater responsibilities.

The Tax Division's recruitment and retention of paralegals is complicated by an additional factor—exceptionally high demand. Citing Labor Department statistics, an article in the New York Times ("Making a Living is Now a Family Enterprise", Oct. 11, 1987), stated that paralegals constitute the fastest growing employment field in the United States today. A 1987 survey in the National Law Journal (Rosen, "The Large-Firm Continues: A 10 Year Look", Sept. 28, 1987) indicates that in response to this increasing demand, starting salaries for paralegals at large private firms now average approximately $20,000. By comparison, the Tax Division hires paralegals at the GS-5 level, or $16,305. The result is a shortage of qualified candidates. Because of low salaries, the Tax Division is also hard-pressed to retain qualified paralegals, particularly in light of the possibilities for upward mobility offered by corporate legal organizations. The latter phenomenon was highlighted in an article in Focus magazine ("Flight of Paralegals", Aug. 17, 1988), which indicated that even large law firms are having some difficulty in maintaining their paralegal staffs.

While recognizing that the chief cause of the recruitment and retention problem is the growing disparity between pay and benefits offered by the Tax Division and those offered by private employers, the Division understands that it cannot resolve the pay gap issue under the existing Federal personnel system. However, with additional funds we can double the amount of awards and special recognition bonuses paid to employees performing outstanding and exemplary service. This initiative, dubbed "compensation for excellence", requires an additional $200,000. Our hope is that by rewarding excellent performance we can retain some of the upper echelon of our work force.

Compensation for excellence specifically addresses the retention problems the Division has experienced in recent years. In an attempt to deal with the Division's increasing recruitment problems, we require an additional $50,000 for recruitment trips to law schools, improving the Tax Division's summer legal intern program, and heightened recruitment efforts to attract experienced attorneys.

Although the Tax Division participates in the Summer Honors Intern Program and the Honors Law Graduate Program run under the auspices of the Justice Department's Office of Attorney Personnel Management, and continues to hire highly qualified candidates, we need to concentrate on recruitment. The Division has devoted more resources to informing law students and judicial clerks of the employment opportunities available in the Tax Division. Clearly, however, more effort in this regard is warranted. To that end, the Division needs to expand its program whereby attorneys on official travel visit law school tax and litigation classes in order to provide students with information about employment opportunities with the Tax Division.

In summary, the 1991 requested increases for the Division's recruitment and retention initiative are critical to Executive leadership's efforts to maintain a highly qualified and professional staff. Only by attracting such a staff can the Division hope to litigate effectively on behalf of the United States Government and thus to protect the nation's financial interests.

Attorney Professional Career Development Program

The Tax Division is requesting an additional $75,000 to expand an attorney professional career development program. The Division's Executive leadership has embarked on an aggressive training program begun in 1989 which provides separate in-house, tax specific training for attorneys, paralegals, and clerical staff. Initial funding of training equipment was absorbed within available resources. However, in order to provide the type of tax-specific training program necessary to prepare new Government attorneys properly to deal with the complex changes in the nation's tax laws, and with the reality that they will be in court representing the Government's interests within six to twelve months of their employment, additional funding to intensify our training efforts is absolutely critical. Specifically, as part of the Tax Division's attorney professional career development program, we intend to do three things. First, $42,000 would be devoted to paying for courses offered by outside training concerns that cannot be duplicated in-house or with experienced guest speakers. Second, $8,000 would be used to purchase legal tapes, training videos, and other greatly needed training tools in order to provide as much in-house training as possible on current tax issues to our attorneys. The final component of our attorney professional career development program includes sending new attorneys, of which there were 59 in 1988, on travel to second chair at trials with a more experienced litigator. The additional $25,000 requested for this purpose will enable the Division to send each new attorney on at least one such learning experience before they have to litigate alone in court. With these funds, the Division will be able to cultivate a highly qualified staff which will ensure that the Government's fiduciary interests are effectively protected.

Management Savings Reductions of 4 positions, 4 workyears, and $22,000 are taken in support of the Administration's efforts to increase efficiency in Government operations in the files and systems support operations.

Tax Division

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes

(Dollars in thousands)

Item	Criminal Tax Prosecution				Civil Tax Litigation				Management and Administration							
	Automated Litigation Support		Savings and Loan Travel Requirements		Automated Litigation Support		Restoration of Workyears		Recruitment/ Retention		Attorney Development Program		A-76 Management Savings		Total	
	Pos.	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
Grades																
GS-12	...	...	...	...	...	...	...	...	...	...	...	...	-1	-10	...	-10
GS-9	...	...	...	...	...	...	...	...	...	...	...	...	-3	-12	...	-12
Total positions and annual rate	...		...	...			...	872	...	...	...	...	-4	-22	-4	850
Lapse	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Other personnel compensation	...			...				...					...	...	...	...
Total workyears and personnel compensation								872				...		-22	-4	850
Personnel benefits								174				...		...		174
Travel and Transportation				$79				147		$50		...		...		276
Other Rent								80		...		...		...		80
Printing								21				...		...		21
Other Services		$200				$3,700		43		200		$75		...		4218
Supplies and materials								29		...		...		...		29
Equipment								36								36
Total program workyears and obligation changes requested, 1991		200		79		3700		1402	...	250		73	-4	-22	-4	5,604

Tax Division

Salaries and Expenses, General Legal Activities

Priority Ranking

Base Program

Program	Ranking
Criminal Tax Prosecution	1
Civil Tax Litigation	2
Federal Appellate Activity	3
Management and Administration	4

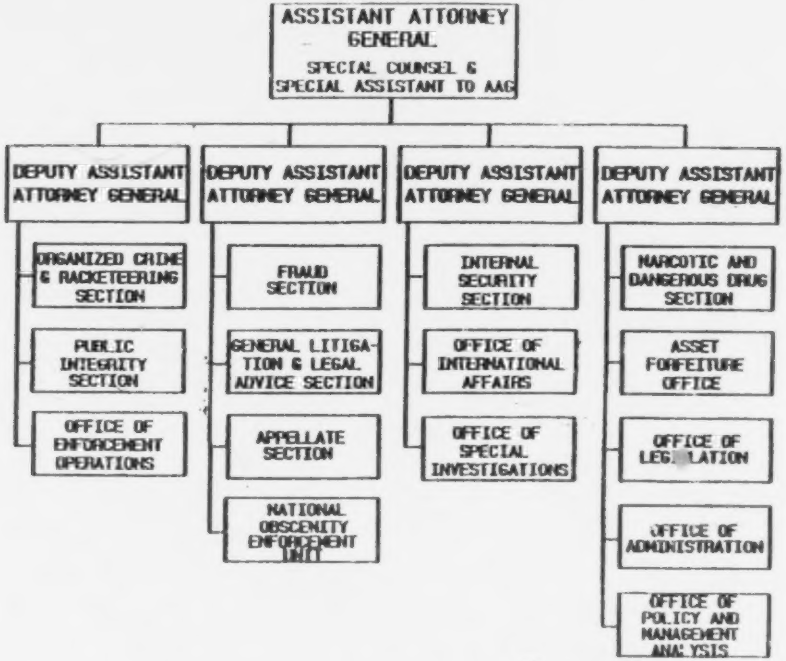
Program Increase

Program	Ranking
Criminal Tax Prosecution (S&L Travel)	1
Civil Tax Litigation (Workyear Restoration)	2
Civil Tax Litigation (ALS)	3
Criminal Tax Prosecution (ALS)	4
Management and Administration (Recruitment/Retention)	5
Management and Administration (Training)	6

Tax Division
Salaries and expenses, General Legal Activities
Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1991 A-76 Savings	1991 Total
Attorneys (905)	343	360	...	360
Paralegal Specialists (950)	19	26	...	26
Other Legal and Kindred (900-998)	29	29	...	29
General Admin. Clerical and Office Service (300-399)	225	236	-4	236
Accounting and Budget (500-599)	5	5	...	5
Total	621	656	-4	652
Washington	597	632	-4	628
U.S. Field	24	24	...	24
Total	621	656	-4	652

CRIMINAL DIVISION


ASSISTANT ATTORNEY GENERAL
SPECIAL COUNSEL & SPECIAL ASSISTANT TO AAG
DEPUTY ASSISTANT ATTORNEY GENERAL
ORGANIZED CRIME & RACKETEERING SECTION
PUBLIC INTEGRITY SECTION
OFFICE OF ENFORCEMENT OPERATIONS
DEPUTY ASSISTANT ATTORNEY GENERAL
FRAUD SECTION
GENERAL LITIGATION & LEGAL ADVICE SECTION
APPELLATE SECTION
NATIONAL OBSCENITY ENFORCEMENT UNIT
DEPUTY ASSISTANT ATTORNEY GENERAL
INTERNAL SECURITY SECTION
OFFICE OF INTERNATIONAL AFFAIRS
OFFICE OF SPECIAL INVESTIGATIONS
DEPUTY ASSISTANT ATTORNEY GENERAL
NARCOTIC AND DANGEROUS DRUG SECTION
ASSET FORFEITURE OFFICE
OFFICE OF LEGISLATION
OFFICE OF ADMINISTRATION
OFFICE OF POLICY AND MANAGEMENT ANALYSIS

Approved: Dick Thornburgh Date: 05-03-89

DICK THORNBURGH
Attorney General

Criminal Division
Salaries and Expenses, General Legal Activities
Crosswalk of 1990 Changes
(Dollars in thousands)

Activity/Program	1990 President's Budget Request Pos	1990 President's Budget Request WY	1990 President's Budget Request Amt.	Reprogrammings Pos	Reprogrammings WY	Reprogrammings Amt.	1990 Sequestration WY	1990 Sequestration Amt.	1990 Appropriation Anticipated Pos	1990 Appropriation Anticipated WY	1990 Appropriation Anticipated Amt.
3. Criminal Matters:											
Federal appellate activity	29	28	$ 2,178	...	...	...	- 1	- 26	29	27	$ 2,152
Organized crime prosecution	282	241	19,332	...	...	...	- 3	-233	282	238	19,099
Public integrity	34	33	2,643	...	...	...	- 1	- 32	34	32	2,611
Fraud	117	106	8,659	...	...	...	- 2	-104	117	104	8,555
Narcotic & dangerous drug prosecution	74	48	3,707	...	...	...	- 1	- 45	74	47	3,662
Internal security	44	35	2,724	...	...	...	- 1	- 33	44	34	2,691
General litigation & legal advice	78	56	4,436	...	...	...	- 1	- 53	78	55	4,383
Office of special investigations	45	45	3,776	...	...	...	- 1	- 45	45	44	3,731
Prosecution support	169	139	9,579	...	...	...	- 2	-115	169	137	9,464
Organized crime drug enforcement	...	...	...	...	...	...	...	...	...	...	...
National obscenity enforcement unit	20	19	1,592	...	...	...	...	- 19	20	19	1,573
Management & administration	87	84	5,808	...	...	...	- 1	- 70	87	83	5,738
Total	979	834	$64,434	...	...	...	-14	-775	979	820	$63,659

1990 Sequestration - Sequestration resulted in a reduction of $775,000 and 14 workyears; however, it will have minimal overall impact to the Criminal Division because of the large program increases the Division received in this fiscal year.

c 2

Criminal Division
Salaries and Expenses, General Legal Activities
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work Years	Amount
Department of Justice Appropriations Act, 1990	624	540	$40,772
Department of Transportation Appropriations Act, 1990 - Emergency Drug Funding	355	294	23,662
1990 as enacted	979	834	$64,434
1990 Sequestration	...	-14	- 775
1990 appropriation anticipated	979	820	$63,659
Transfer of Organized Crime and Racketeering Strike Force Offices' resources to U.S. Attorneys	-186	-170	-13,600
Mandatory increases:			
Annualization of positions approved in 1990	...	86	8,108
Additional compensable day	...	...	155
1990 Full-year pay increase impact on 1991	...	...	1,718
1991 pay increase	...	...	476
SES pay increase	...	...	252
Special salary rates	...	...	11
Health benefits	...	...	199
GSA rent	...	...	189
GPO printing costs	...	...	15
Employee data and payroll services	...	...	6
Project EAGLE maintenance	...	...	580
Total, mandatory increases	...	86	11,709
Decreases:			
Nonrecurring costs for equipment for 5 new positions authorized in 1990	...	...	- 17
Nonrecurring costs for Federal Telecommunications Systems (FTS)	...	...	-167
Total, decreases	...	...	-184
1991 Base	793	736	61,584

Estimates by budget activity	1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
3. Criminal Matters	769	655	$52,316	979	820	$63,659	793	736	$61,584	792	733	$61,820	-1	-3	$236
EOY Employment:															
Full-time permanent	617			625			725			724			-1		
Reimburseable	...			6			6			6			...		
Other	38			35			35			35			...		
	655			666			766			765			-1		

Criminal Division
Salary and expenses, General Legal Activities
Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1989 As Enacted			1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Criminal Matters:																		
Federal appellate activity....	28	23	$ 1,948	28	23	$ 2,039	29	27	$ 2,152	29	27	$ 2,307	29	27	$ 2,307	...	...	...
Organized crime prosecution...	236	211	16,888	236	205	16,578	282	238	19,099	96	83	7,850	96	83	7,850	...	...	...
Public integrity.............	34	26	2,447	34	26	2,314	34	32	2,611	34	32	2,738	38	34	3,000	4	2	$262
Fraud........................	80	61	5,827	80	61	5,643	117	104	8,555	117	104	8,951	117	104	8,951	...	...	...
Narcotic & dangerous drug prosecution.................	35	26	2,368	35	26	2,295	74	47	3,662	74	67	5,748	73	66	5,743	- 1	- 1	- 5
Internal security............	30	28	2,131	30	29	2,144	44	34	2,691	44	41	3,520	43	40	3,515	- 1	- 1	- 5
General litigation & legal advice.....................	46	38	3,229	46	38	3,212	78	55	4,383	78	71	6,143	78	71	6,143	...	...	...
Office of special investigations..............	47	33	3,432	47	33	2,637	45	44	3,731	45	44	3,893	43	42	3,882	- 2	- 2	-11
Prosecution support..........	125	117	7,191	125	117	7,858	169	137	9,464	169	160	12,234	169	160	12,234	...	...	...
Organized crime drug enforcement.................	6	6	633	6	6	633	...	...	...	...	...	...	...	...	...	...	...	...
National obscenity enforcement.................	19	12	1,251	19	12	992	20	19	1,573	20	20	1,712	20	20	1,712	...	...	...
Management & administration...	83	78	5,085	83	78	5,971	87	83	5,738	87	87	6,488	86	86	6,483	- 1	- 1	- 5
Total......................	769	659	52,430	769	655	52,316	979	820	63,659	793	736	61,584	792	733	61,820	- 1	- 3	236
Reimbursable Workyears..........		...			...			6			6			6			...	
Total Workyears................		661			655			826			742			739			- 3	
Other Workyears																		
Overtime.................		2			2			2			2			2			...	
Total compensable workyears..............		686			656			828			744			741			- 3	

Criminal Division
Salaries and Expenses, General Legal Activities
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

Activity: Criminal Matters	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity............	29	27	$ 2,152	29	27	$ 2,307	29	27	$ 2,307	...	...	...
Organized crime prosecution...........	282	238	19,099	96	83	7,850	96	83	7,850	...	...	...
Public integrity......................	34	32	2,611	34	32	2,738	38	34	3,000	4	2	$262
Fraud.................................	117	104	8,555	117	104	8,951	117	104	8,951	...	...	...
Narcotic & dangerous drug prosecution.	74	47	3,662	74	67	5,748	73	66	5,743	- 1	- 1	- 5
Internal security.....................	44	34	2,691	44	41	3,520	43	40	3,515	- 1	- 1	- 5
General litigation and legal advice...	78	55	4,383	78	71	6,143	78	71	6,143	...	...	...
Office of special investigation.......	45	44	3,731	45	44	3,893	43	42	3,882	- 2	- 2	-11
Prosecution support...................	169	137	9,464	169	160	12,234	169	160	12,234	...	...	...
Organized crime drug enforcement......	...	...	...	...	...	...	...	...	...	...	...	...
National obscenity enforcement........	20	19	1,573	20	20	1,712	20	20	1,712	...	...	...
Management & Administration...........	87	83	5,738	87	87	6,488	86	86	6,483	- 1	- 1	- 5
Total.............................	979	820	$63,659	793	736	$61,584	792	733	$61,820	- 1	- 3	$236

This budget activity includes resources for the primary mission of the Criminal Division. Funds requested for this activity support personnel involved both at Headquarters and in the field in the prosecution of over 900 Criminal statutes.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity............	29	27	$2,152	29	27	$2,307	29	27	$2,307	...	...	...

Long-Range Goal: To secure appellate judicial decisions in criminal cases favorable to the United States in accordance with the fair administration of criminal justice.

Major Objectives:

In Supreme Court cases, the Section prepares draft briefs (briefs in opposition and merit briefs) and petitions for certiorari; and screens defendants' certiorari petitions.

In courts of appeals cases referred to the section by the United States Attorneys and other components of the Division, the Section writes briefs, rehearing petitions, and mandamus petitions. It also presents oral arguments.

In judicial decisions adverse to the government, the Section prepares memoranda on behalf of the Criminal Division to the Solicitor General recommending whether further review should be sought.

The Section furnishes solutions to legal problems arising in the prosecution of criminal cases to other components of the Division and to the United States Attorneys.

Base Program Description: The Appellate Section consists of a group of attorneys who are experts in federal criminal law. (1) The Section, in conjunction with the Office of the Solicitor General, reviews certiorari petitions in federal criminal cases filed in the Supreme Court to determine whether to respond by filing a brief in opposition or to waive a response because the petition does not merit any answer. If the case merits a response, a draft brief in opposition is prepared by a Section attorney opposing Supreme Court review. The Section also prepares draft certiorari petitions and merits brief for the Solicitor General. (2) In cases before the courts of appeals, at the request of United States Attorneys, Section attorneys write briefs and participate in oral argument. The Section also provides advice to Assistant U.S. Attorneys who seek assistance in the preparation of their appellate briefs. (3) The Section examines reviewable decisions of district courts and courts of appeals adverse to the United States Department of Justice to determine whether review or further review is justified. In this process, the Section Attorneys in their memoranda present the strongest possible arguments in favor of the government's position, and, where possible, attempt to develop arguments that will result in decisions favorable to the United States.

Accomplishments and Workload: The quantitative experience and expectations of the Appellate Section are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Supreme Court:				
Briefs in opposition	350	308	350	350
Waiver of responses	200	230	200	200
Merit (including amicus) briefs	16	11	11	11
Government petitions for certiorari	6	5	5	5
Court of Appeals:				
Main and reply briefs, oral arguments and Rehearing and mandamus petitions	200	255	255	255
Adverse Decision Memoranda	800	844	844	844

The Appellate Section plays a major role in obtaining favorable appellate decisions in federal criminal cases. For example, the Sentencing Reform Act of 1984 requires that criminal sentences be imposed under guidelines promulgated by the Sentencing Commission. The interpretation of the guidelines is now a common issue in appellate litigation, and the Section is involved in ensuring that the guidelines are properly construed. The Section provides relevant arguments to United States Attorneys pertaining to favorable judicial interpretations. The Section handles appeals for United States Attorneys and other Sections of the Division, including the appeals in complex cases. The Section has continued to shepherd successfully the Speedy Trial Act, providing advice to the United States Attorneys on issues arising under the Act.

It is anticipated that the addition of new positions to the U.S. Attorneys' Offices will result in an increase in adverse decisions, resulting in an increase in adverse decision memoranda. Other workload factors will also be affected. The new workload demands will be met by the addition of one attorney position to the staff in 1990.

Cases of importance recently handled successfully by the Section, in some instances in conjunction with the Solicitor General, include Caplin & Drysdale v. United States, 109 S. Ct. 2646 (1989) and United States v. Monsanto, 109 S. Ct. 2657 (1989) in which the Supreme Court upheld the forfeitability of drug proceeds to be used to pay attorneys fees; Schmuck v. United States, 109 S. Ct. 1443 (1989) in which the Supreme Court resolved a complex double jeopardy issue in the government's favor; United States v. Sokolow, 109 S. Ct. 1581 in which the Supreme Court held that DEA agents had reasonable suspicion to make an investigative stop of a traveler at an airport; United States v. Wallington, No. 88-6033 (5th Cir. Nov. 21, 1989) in which the Fifth Circuit upheld the government's right to prosecute individuals for theft of confidential government information; United States v. Gonzalez, 875 F.2d 875 (D.C. Cir. 1989) and United States v. Cariballo-Tamayo, 865 F.2d 1179 (11th Cir. 1989), the courts of appeals ruled that Customs officers have the statutory authority to board vessels on the high seas; and United States v. Lopez-Pena, No. 87-2003 (1st Cir. Nov. 22, 1989) in which the Section was able to limit the Supreme Court's recent decision that magistrates cannot conduct voir dire in jury trials to cases where the defendant objected in the trial court. In addition, the Section contributed to the government's brief in Mistretta v. United States, 109 S. Ct. 647 (1989), which upheld the constitutionality of the Sentencing Guidelines.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Organized crime prosecution...........	282	238	$19,099	96	83	$7,850	96	83	$7,850	...	...	...

Long-Range Goal: To nullify the influence of major organized criminal activities on the economic, political, and social institutions of the United States.

Major Objectives:

To ensure the investigation and prosecution of all major organized groups and activities.

To use innovative investigative and litigative approaches utilizing all appropriate criminal and civil remedies against organized crime.

To set and maintain national goals, priorities and standards in joint program planning and execution by Federal, State and local agencies active in organized crime law enforcement.

Base Program Description: Program resources are directed at those organized crime groups, whether La Cosa Nostra (LCN), Sicilian Mafia, Asian Organized Crime or other emerging groups, which pose the greatest threat to the economic and social well-being of the nation. With the transfer of Strike Force Offices to the United States Attorneys, which was implemented by Attorney General Order No. 1386-89, dated December 26, 1989, the Organized Crime and Racketeering Section will act as a strategic reserve of experienced prosecutors to try labor racketeering, RICO and other organized crime cases wherever needed. These lawyers will serve to complement the Strike Force Units established in the United States Attorneys' Offices and provide expertise to those units and other United States Attorneys' Offices that are prosecuting organized crime cases. In addition, these lawyers will be available to identify and to target emerging criminal organizations, and to investigate new methods of prosecution.

The Section will also provide staff, as necessary, to the Organized Crime Council, which will be established to oversee the national effort against organized crime. That Council will be chaired by the Attorney General's designee, and will consist of the Assistant Attorney General, Criminal Division, a designee of the AGAC and the head of each concerned federal investigative agency. The Council will review policies, promote interagency coordination and will review priorities and evaluate the threat presented by emerging organized crime elements to establish national priorities.

The remaining members of the Section will provide Washington based management and support to the Strike Force Units across the country. Because the existing organized crime case management system will remain intact, the Strike Force Unit in each United States Attorney's Office will report case initiations and prosecution decisions to the Organized Crime and Racketeering Section for approval.

Through the Case Initiation Report approval mechanism, management regulates the application of national priorities. The chief priority is LCN activity and affiliated labor racketeering, followed by emerging organized crime groups. Quality control and compliance with Department prosecutorial policies and procedures are guaranteed by the Prosecution Memorandum approval process and continuous supervisory contacts. Program priorities are set through the National Organized Crime Planning Council (NOCPC), chaired by the Chief of the Organized Crime and Racketeering Section, which complements the extensive interagency communication in the field on case-related matters with regular assessments of local program effectiveness in each Strike Force city and in Washington.

Accomplishments and Workload: The recent experience and future projections of the organized crime and racketeering program are summarized quantitatively in the following table:

Item	1988	1989	Estimates 1990*	 1991*
Matters:				
Pending, beginning of year	513	604	660	668
Opened	187	156	200	210
Closed	96	100	192	210
Pending, end of year	604	660	668	668
Cases (lead prosecution):				
Pending, beginning of year	272	343	360	375
Opened	196	192	205	220
Closed	126	175	190	220
Pending, end of year	343	360	375	375
Disposition of defendants in cases litigated:				
Convictions	387	365	388	408
Acquittals/dismissals	51	64	65	65
Other dispositions (transfers to U.S. Attorneys, deaths)	4	6	10	10

*Workload figures for 1990 and 1991 include investigative matters and cases handled by Strike Force Units.

The challenge facing law enforcement today is to sustain our pressure on the LCN and, at the same time, prevent emerging organized criminal groups from acquiring a power base. The President's Commission on Organized Crime noted three major characteristics of organized crime in the United States today. In the first place, there has been a rapid growth in recent years of newly organized crime groups. Most are ethnic-based, although some originated in U.S. prisons or as motorcycle gangs. They share with traditional organized crime, i.e., La Cosa Nostra, a drive to establish a criminal territory, a disrespect for law and a willingness to rely on violence, criminality and corruption to achieve their ends. Organized crime in the United States today is a complex tapestry of multiple groups supported, wittingly or unwittingly, by numerous protectors, specialists and associates. In the second place, the Commission found that the forces of law enforcement indeed have "the mob on the run." Recent successes by law enforcement against the leadership, membership, and associates of La Cosa Nostra have seriously threatened its operations. The emerging groups cited in the report, however, are attempting to fill the vacuum, and the report recommends that law enforcement must broaden its perspective to address the full panoply of organized criminal groups and their methods of operation. The final finding of the Commission has been widely reported previously and has been the subject of an Administration program for several years; namely, the increased concentration of Organized Crime on drug trafficking. This problem has been the focus of the Organized Crime Drug Enforcement Task Forces. In offenses where traditional Organized Crime families are involved and in cases where emerging groups participate in multiple crimes besides narcotics, the Criminal Division's Organized Crime and Racketeering Section will provide guidance, support and a strategic reserve of experienced prosecutors to complement the United States Attorneys and the Strike Force Units in those offices. Demonstration projects regarding Asian organized crime, for example, will continue.

Since the President's Commission on Organized Crime issued its report on labor-management racketeering in March 1986 and recommended greater use of civil RICO, seven such lawsuits brought by the Department of Justice have resulted in the removal of LCN-corrupted parties to labor-management relations. Two other civil RICO actions seeking to enjoin LCN involvement in labor-management matters are pending. In five of those lawsuits, trustees or monitors have been installed to supervise elections of new labor union officers and to oversee the affairs of labor organizations, including the International Brotherhood of Teamsters, the largest labor union in North America. Demonstrating the Department's implementation of the Presidential Commission's recommendation that initiatives be undertaken with respect to LCN infiltration of business and distortion of the market place, a court-appointed administrator was appointed in one case to oversee the activities of the Fulton Fish Market in New York City. As part of efforts to police industries impacted by organized crime, a nationwide investigation by the FBI and the Department of Labor led to the criminal prosecution in 1988 of individuals and businesses in the health care industry. The Section has recommended that the Administration submit to Congress legislation which would implement seven of the Presidential Commission's legislative recommendations and three new statutory initiatives with respect to labor-management racketeering.

The Organized Crime Strike Forces' regular criminal prosecution efforts in 1989 resulted in some dramatic successes. For example: (1) In November 1989, the Cleveland Strike Force obtained jury convictions of Reuben Sturman, one of the largest distributors of pornography in the United States and two other individuals. All three were convicted of conspiracy to prevent collection of income taxes totaling more that $1.4 million on $2.7 million skimmed from Sturman's pornography businesses in the United States and Great Britain. Sturman was also convicted of 15 other substantive charges. (2) In another Cleveland Strike Force case, a jury in January 1989 convicted two union officials, including a Teamsters International vice-president, of RICO in connection with their embezzling over $700,000 from two local unions through payments to "ghost" employees. The men were indicted with Teamsters International President Jackie Presser, who died prior to trial. (3) In June 1989, the Newark Strike Force, in conjunction with the United States Attorney's Office, obtained jury verdicts of guilty against Genovese Family consigliere Louis A. Manna and five LCN associates on multiple counts of RICO and related charges involving murder, gambling, labor racketeering, and extortion. The conduct in the RICO charges included conspiracy to murder John Gotti, the reported boss of the Gambino Family, and other individuals. (4) In November 1988, following a seven-week trial, LCN boss Nicodemo "Nicky" Scarfo and 16 LCN co-defendants were convicted on all counts in a RICO prosecution brought by the Philadelphia Strike Force. The conduct charged in the two RICO counts included nine murders and four attempted murders, as well as multiple acts involving distribution of drugs, gambling, and extortion. Scarfo was sentenced to 55 years in prison; other defendants, including several mob bosses or underbosses and numerous "soldiers", received prison sentences ranging from 30 to 45 years.

New resources anticipated from the President's 1990 budget initiative on violent crime are expected to result in a 5 percent increase in investigative and case matters opened and closed. The increased activity will be directed to expansion of efforts directed at Asian and Sicilian Organized Crime groups in Los Angeles, San Francisco, Houston, Boston, Chicago, and elsewhere. These resources will be directed from Headquarters. Resources will also focus on other emerging groups, e.g., street gangs.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Public integrity......................	34	32	$2,611	34	32	$2,738	38	34	$3,000	4	2	$262

Long-Range Goal: To enhance the public's confidence in elected and appointed officials at all levels of government by deterring dishonesty and corruption in the discharge of the public's business and by protecting the integrity of the franchise.

Major Objectives:

To supervise the investigation and conduct the prosecution of selected corruption cases at the Federal, State and local government levels.

To supervise the investigation and conduct the prosecution of all matters involving alleged criminal misconduct by Federal judges.

To ensure an effective Federal law enforcement effort against election fraud and criminal conflicts of interest among Federal employees.

To assist U.S. Attorney personnel in developing their own capabilities to recognize, investigate and prosecute public corruption and election fraud offenses.

To respond, within the statutory time limits, to complaints subject to the Independent Counsel provisions of the Ethics in Government Act (28 U.S.C. 591, *et seq.*) and, after investigation, to make timely recommendations to the Attorney General concerning the need for the appointment of independent counsel in such matters.

To establish and maintain liaison with the Inspectors General and others responsible for the investigation and administrative discipline of public employees and to ensure the flow of intelligence concerning employee crimes to Federal prosecutors.

Base Program Description: The Public Integrity Section prosecutes selected cases against Federal, State and local officials, and its staff is available as a source of advice and expertise to law enforcement officials and prosecutors at all levels of government. In addition, the program serves as a center for planning, coordinating and implementing nationwide programs focused on public corruption and abuse of the franchise. Approximately 75 percent of the program's resources are presently devoted to operational responsibilities for investigation and litigation of cases and matters, while about 25 percent of its resources are devoted to support of United States Attorney activities. In addition to the cases it has developed itself or cases that arise out of its special initiatives, the program is responsible for the prosecution of corruption cases in which United States Attorney personnel have recused themselves, and it routinely assists in the disposition of public corruption matters involving multi-district problems or unusually sensitive subject matter.

Accomplishments and Workload: The recent experience and projections for the future with regard to litigation for which the Public Integrity Section is directly responsible are summarized quantitatively in the following table:

Item	1988	1989	Estimates 1990	 1991
Matters:				
Pending, beginning of year	165	186	223	333
Opened	165	185	250	275
Closed	144	148	140	154
Pending, end of year	186	223	333	454
Cases (lead prosecution):				
Pending, beginning of year	30	31	40	40
Opened	31	40	35	35
Closed	30	31	35	35
Pending, end of year	31	40	40	40
Disposition of defendants in cases litigated:				
Convictions	29	55	55	55
Acquittals/dismissals	1	4	4	...
Other dispositions (transfers to U.S. Attorneys, deaths)	0	6	6	...

Although much of the workload increase is expected to result from the enactment of proposed changes to the conflicts of interest statutes, an increase in workload is also anticipated as a result of the change in administration. The increased number of referrals resulting from the "changeover" is a direct result of the Section's efforts to sensitize investigators and the general public to the conflicts laws, encouraging referrals and seeking to ensure that it becomes known that these are matters we take seriously. Another factor which weighs significantly in the workload projections involves the expanded coverage of the Independent Counsel Statute.

--Independent Counsel Allegations. The Section is responsible for all Independent Counsel matters under the Ethics in Government Act. The Section supervises any necessary preliminary investigation, and prepares a recommendation to the Attorney General as to whether the Independent Counsel provisions have been triggered and whether a further investigation is warranted. The Section has been able to apply a uniform standard and to develop a consistent procedure applicable to each case, ensuring that these matters are properly handled within the stringent time limits of the Act. In 1987, the Section handled several investigations and inquiries under the Act involving allegations against high government officials.

--Investigations of Federal Judges and Federal Law Enforcement Officials. The Public Integrity Section has exclusive jurisdiction over allegations against Federal judges. In 1987, the conviction of Chief Judge Walter Nixon of the Southern District of Mississippi on charges of perjury was sustained by the 11th Circuit in an appeal that was handled by the Section. The Section also handles cases involving attempts to corrupt the judicial system, such as the conviction of an individual in New York who solicited money, claiming falsely that he could bribe Federal judges.

Cases involving corruption of Federal law enforcement officials are also a top priority of the Section. For example, in 1987, the 9th Circuit Court of Appeals affirmed the perjury conviction of an FBI agent.

--Election Crimes. A special Election Crimes Branch has been part of the Section since 1980, and it has made considerable progress in making election fraud a national priority. The Branch has three major functions. First, it prosecutes selected cases, usually in conjunction with the United States Attorney's office in the District, such as one ongoing project in Indiana in which over 20 convictions for vote fraud and related offenses have already been obtained. Through such prosecutions and accompanying appellate victories, obscure areas of election fraud law have been clarified, endorsed by the courts, and used with increasing frequency around the country. Second, the Branch provides advice and support to the United States Attorney Offices in the application of election fraud and campaign financing laws to the myriad situations that arise in the course of a campaign and election. Finally, in order to encourage greater awareness of election crimes, the Branch has taken on a major role in training prosecutors and election officials, giving lectures on the various statutes available to combat these offenses, and publishing a comprehensive election crimes manual. During 1988, the Branch published a completely revised edition of its election crimes manual, Federal Prosecution of Election Offenses, which was distributed to every Assistant United States Attorney and has been offered for sale to the public by the Government Printing Office. This manual is the standard reference work for this subject within the Federal law enforcement community.

--Conflicts of Interest. A special Conflict of Interest Crimes Branch has been part of the Section since 1983. This area of the criminal law is complex and technical, and is only beginning to take on substance through litigation. The Section's Conflicts of Interest Crimes Branch handles several conflicts prosecutions each year, and fields many requests for advice from other Federal agencies and prosecutors. In 1987, the Section obtained the conflicts conviction of a high-level Health and Human Services official who was structuring Federal contracts for his personal financial benefits. The Branch is also devoted to formulating and reviewing legislation in the ethics law area and preparing Departmental officials for congressional testimony concerning these laws. In addition, beginning in 1989, and continuing through the foreseeable future, the Section will be playing a substantial role in the investigation and prosecution of corruption in the area of Defense procurement growing out of the Ill Winds investigation in the Eastern District of Virginia and elsewhere.

--Other Section Priorities. The Section has developed valuable expertise and close working relationships with the CIA, the NSA, the State Department, and other agencies with sensitive or international operations, enabling it to investigate and/or prosecute crimes involving sensitive or classified information, and crimes which occur, in whole or in part, overseas. In the past, these cases have received little attention because they are plagued by evidentiary problems, diplomatic complications, extremely expensive travel, uncooperative witnesses, and evidence beyond the reach of process. Despite these problems, the Section has actively pursued overseas corruption cases, and has successfully prosecuted American officials for crimes committed abroad.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Public integrity..	34	32	$2,738	38	34	$3,000	4	2	$262

An increase of 4 positions (3 attorneys and 1 support staff), 2 workyears and $262,000 is sought for 1991 for the Public Integrity program. The need for these positions continues in order for the Section to fulfill its responsibilities with regard to conflict of interest issues, Independent Counsel matters, and election crimes. By the end of 1989, the backlog of investigative matters was 20 percent greater than in 1988 and will increase an additional 50 percent by the end of 1990. The number of cases pending rose 30 percent in 1989 from the previous year.

The Ethics Reform Act of 1989, enacted January 3, 1990, will continue expansion of conflicts-of-interest workload. The new legislation reflects the recommendations of the President's Commission on Federal Ethics Law Reform, which completed a study on March 9, 1989. Workload increases in this area are anticipated for several reasons: all three branches will be covered by the principal proscriptions of the conflict-of-interest laws; inclusion of misdemeanor as well as felony sanctions, resulting in increased numbers of prosecutions; addition of civil sanctions requiring expeditious handling of referrals and coordination with the Civil Division; provision of subpoena power to agencies which must be coordinated with the Department of Justice; and creation of new regulatory standards that will require Public Integrity to engage in extended consultation with the Office of Government Ethics.

Independent Counsel matters will increase. The Administration has proposed an amendment to the Independent Counsel Act which will include all Members of Congress as persons covered by the Act. This legislation would, in effect, continue the workload impact of the recently rescinded Attorney General

Order No. 1297-88 except that there would be no provision to allow investigations of Members of Congress which grow out of ongoing investigations to be handled by the Department or United States Attorneys' Offices. All Congressional cases will have to be treated as Independent Counsel matters. Workload in this area is already overwhelming, and any further increase requires additional personnel.

The Election Crimes Branch has made considerable progress in making the prosecution of crimes against the electoral process a national priority, and in developing and implementing investigative and prosecutive strategies to maximize the ability of Federal prosecutors to achieve jurisdiction over and respond to this type of corruption. The ability of staff to respond to demands has been diminished in the last several years. For example, the Section was unable to respond to a request from the U.S. Attorney in the Southern District of Georgia to take over the operational facets of several aggravated matters involving voter fraud within that District which arose during 1988.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Fraud................................	117	104	$8,555	117	104	$8,951	117	104	$8,951	...	...	...

Long-Range Goal: To reduce the incidence of white collar crime through a comprehensive program of prevention, detection, investigation, prosecution, and punishment of white collar crime offenses.

Major Objectives:

To conduct fraud prosecutions that require resources exceeding the capacity of individual United States Attorneys.

To assist in the formulation of prosecutorial policies and the development of model prosecutions, especially through the conduct of selected litigation, which will serve to demonstrate the viability of particular statutes, theories or techniques.

To develop and enhance local, state, federal and international law enforcement cooperation in combatting white collar crime.

To identify recurring illegal schemes and devise new practices and procedures for minimizing opportunities for criminal conduct.

To provide specialized training to prosecutors and investigators on effective techniques and procedures for investigating and prosecuting white collar crime cases.

Base Program Description: The Fraud Section's overall objectives are focused on the priorities of the Economic Crime Council as announced by the Attorney General. The top priorities are: Defense procurement fraud and financial institution fraud. Other Council areas of special emphasis are fraud in the securities and commodities markets; fraud involving government benefits, contracts and loans such as HUD and health care providers; international white collar criminal activity; career white collar criminals and locally devastating economic crimes. The primary function of the Fraud Section is the conduct of major criminal investigations and prosecutions. The selection of specific investigations is based on a variety of criteria, including: magnitude of the alleged fraud scheme; ability of United States Attorneys' offices to handle the case; complexity; unique fact pattern or theory of prosecution/investigation; and, contribution to long range prosecutorial goals. Many of the investigations are complex and lengthy, requiring over two years to develop. They are developed by a team of investigators and auditors directed by Section prosecutors.

The Section, through the Defense Procurement Fraud Unit, prosecutes nationally significant defense procurement fraud cases drawn from the nearly $600 million per day spent by the Department of Defense (DOD). The Unit consists of ten Fraud Section attorneys, four attorneys provided by DOD, four DOD criminal investigators and a Defense Contract Audit Agency auditor. The staff focuses on investigating and prosecuting allegations of product substitution, defective products, cost mischarging, defective pricing, corruption and kickbacks. (An additional three attorneys from the Fraud Section are assigned to the Ill Wind investigation in the Eastern District of Virginia).

The Unit staff provides frequent assistance to United States Attorneys' offices, acting as an informational source on legal issues, as well as providing prosecutive guidance and information on the use of complex criminal statutes that are unique to procurement prosecutions. Furthermore, they evaluate investigative work and the adequacy of proposed indictments for United States Attorneys' offices. In the area of financial institution fraud, eleven Section attorneys have been spending all or a substantial part of their time on investigations and trials (46 convictions as of December 1989), undertaken by the Dallas Bank Fraud Task Force. Twelve new Section attorneys will be assigned to the Task Force as a result of the funding made available through the Financial Institution Reform Recovery and Enforcement Act of 1989. (An additional twelve attorneys will be assigned to such cases elsewhere). The Task Force is addressing fraud associated with the serious financial institution crisis centered in Dallas. In addition, one Section attorney has been assigned as a member of a trial team handling a major case brought by the United States Attorney for the Northern District of Texas and involving five failed savings and loan institutions and a group of land developers in Dallas. The Section is also leading a major investigation concerning abuse of banks by land developers in Oklahoma and expects to support other United States Attorneys' offices with individual cases and investigations when requested. In all, 14 Fraud Section attorneys are currently assigned directly to financial institution cases, with additional attorneys providing management and other support.

The Section also provides both leadership and support in more traditional fraud areas: the PTL investigation and trial; the Robert Morris computer virus case; the bribery of IRS officials to obtain retail gasoline tax certificates on Long Island; and an off-shore reinsurance scam operating out of Kansas City, Miami, and the Caribbean, to name a few. We have also assigned three attorneys to Oklahoma City and two to Denver to prosecute HUD frauds.

Section attorneys also provide staff support to projects of the Economic Crime Council with the Section Chief serving as Executive Director of the Council. The Section also staffs the work of the Interagency Bank Fraud Working Group and the Interagency Securities and Commodities Fraud Working Group. Through this work in particular, Section attorneys maintain ongoing liaison with several Inspectors General and regulating agencies. The Section devotes considerable time to training attorneys and investigators. Two Economic Crime Enforcement Conferences are given each year and there is also a Defense Procurement Fraud course and a Fraud and Financial Crimes course scheduled for 1990. More courses for banks and securities are planned for 1991. Section attorneys also teach at the Federal Law Enforcement Training Center and many other *ad hoc* courses.

Accomplishments and Workload: The recent experience and projections for the future with regard to litigation for which the Fraud Section is directly responsible are summarized quantitatively in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Matters:				
Pending, beginning of year	156	159	95	85
Opened	100	30	50	101
Closed	97	94	60	94
Pending, end of year	159	95	85	92
Cases (lead prosecution):				
Pending, beginning of year	33	43	67	76
Opened	50	81	71	90
Closed	40	57	62	65
Pending, end of year	43	67	76	101

Several hundred matters in the Dallas Bank Fraud Task Force and in the Oklahoma City HUD investigations are listed as one overall matter for each city, thereby accounting for the apparent decrease in intake in 1989 and 1990.

Disposition of defendants in cases litigated:	1988	1989	Estimates 1990	Estimates 1991
Convictions	56	103	84	84
Acquittals/dismissals	2	20	2	2
Other dispositions (transfers to U.S. Attorneys, deaths)	1	1	1	1
Monetary Recovery ($000)	$64,363	$30,120	$50,000	$50,000

Monetary recoveries for 1988 include $25.2 million pursuant to the DOD Voluntary Disclosure Program. These recoveries are no longer included in Section statistics.

Twenty-nine convictions were obtained by the Defense Procurement Fraud Unit in defense procurement fraud cases during FY 1989. One of the Unit's major investigations this past year involved defective pricing by Boeing Military Airplanes of Wichita, Kansas, a division of The Boeing Company. The investigation, which ended with an $11 million civil settlement, established that Boeing had proposed aluminum prices during price negotiations of several KC-135 Reskin Kit contracts in 1983 and 1984, which were higher than Boeing expected to pay. Additionally, Boeing agreed to the disallowance of attorney's fees of nearly $2 million. This represents one of the ten largest civil settlements ever reached with a defense contractor.

In the first case involving perjury and obstruction of Armed Services Board of Contract Appeals (ASBCA) proceedings, the Unit returned an indictment in the Middle District of Florida against a production supervisor at E-Systems, Inc. The indictment charges that the employee falsely denied that she and others falsified documents pertaining to production and supply contracts for the VCR-12 radio, the Army's principal vehicular-borne tactical communications system. In addition, in connection with a voluntary disclosure handled by the Unit, a plea of guilty was obtained from a former division manager of Watkins-Johnson Company charging him with conspiracy to commit fraudulent labor mischarging on DOD contracts. The manager had directed his employees in a systematic labor mischarging scheme, by which the company fraudulently inflated historical labor costs and used the costs in support of proposals for follow-on contracts. Approximately $1.8 million was recovered in a civil settlement from Watkins-Johnson Company.

The Unit also has a primary role in the Defense Department's Voluntary Disclosure Program. Under this program, which was implemented in 1986, the Unit reviews, coordinates and prosecutes criminal matters which are voluntarily disclosed by defense contractors. In 1989, over $29 million was collected by DOD; a total of $82.9 million since its inception.

During 1988 and 1989, the Fraud Section assumed additional responsibilities in the Government, consumer and institutional fraud arena. The Section's financial crimes task force in the Western District of Oklahoma was expanded, adding two additional attorneys to the HUD fraud enforcement effort. To date, the task force has obtained 23 felony convictions, $11,000 in fines, and $2,409,489.73 in restitution orders. The Section has also committed two attorneys to a HUD fraud task force in the District of Colorado beginning in early 1990.

The Section also successfully concluded the prosecution of televangelist James Bakker, resulting in a sentence of 45 years imprisonment and a $500,000 fine, and presented for indictment the computer fraud case against Robert Morris (involving the computer virus launched from Cornell University).

Fraud in savings and loans and in banks continues to be a serious national law enforcement problem. A number of convictions for fraud, associated with bank failures, were obtained by Section attorneys in 1987, 1988 and 1989 in Oklahoma, Oregon, Wyoming, Texas and Kansas. In Dallas, the Task Force, now consisting of eleven Section attorneys, three Assistant United States Attorneys, one Special Assistant United States Attorney from the Federal Home Loan Bank Board, more than twenty FBI agents, and a contingent from the Internal Revenue Service, has been conducting investigations and prosecutions stemming from referrals involving over four hundred subjects and over twenty financial institutions. The Task Force will be expanded to twenty-two Section attorneys through the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA). The Task Force has brought felony charges against 55 individuals and obtained 46 convictions as of December 1989.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Narcotic & dangerous drug prosecution..	74	47	$3,662	74	67	$5,748	73	66	$5,743	- 1	- 1	- $5

Long-Range Goal: To combat the growth of major national and international criminal enterprises involved in drug trafficking and money laundering.

Major Objectives:

To assist in the formulation of Federal drug prosecution policies, including the development of innovative investigative and prosecutorial methods and the enhancement or modification of existing statutory authorities that foster more effective drug enforcement.

To prosecute directly and/or to assist U.S. Attorneys in major international and multi-district cases involving the most significant violators and to implement innovative prosecutorial methods, especially in the area of narcotics-related financial investigations.

To furnish instruction that will improve the effectiveness of federal enforcement agents and prosecutors who are responsible for investigating and litigating drug cases.

To supervise and participate in litigation concerning: the Money Laundering Control Act, 18 U.S.C. Section 1956, 1957; the Bank Secrecy Act, 31 U.S.C. Section 5311 et seq.; and the Controlled Substance Act 21 U.S.C. Section 801 et seq.

To promote interagency and inter-jurisdictional cooperation in the conduct of drug investigations and drug prosecutions.

To provide legal advice to Department of Justice officials in support of the Organized Crime Drug Enforcement Program and to otherwise assist the Director in matters pertaining to policy, implementation and evaluation of the program.

To assist the Department in its role of promoting better narcotics law enforcement by assisting State and local authorities to improve statutory tools and training.

To assist the Department in its role of improving international programs for narcotics law enforcement in particular by assisting multinational organizations and states in implementing the statutory requirements imposed by the U.N. Convention Against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

Base Program Description: This program works to support the national drug enforcement effort. It supports both the program and policy efforts developed in Washington and the prosecutive efforts being undertaken by the Organized Crime Drug Enforcement Task Forces and the U.S. Attorneys' Offices. In addition, it develops unique and ground breaking methods of investigating narcotics enterprises which, when successful, are taught to field offices. In the area of national program and policy efforts, the Section is responsible for the purely narcotics law enforcement areas of bilateral and unilateral international efforts undertaken by the Department including support for the seven projects of CICAD, the Narcotics Commission of the Organization of American States. It also staffs the efforts of the U.N. Convention Against the Illicit Traffic in Narcotic Drugs and Psychotropic Substances, including negotiating and implementing the 1988 multilateral convention. It works on legislative and regulatory changes in the areas of narcotics and money laundering.

The Section leads in the development and implementation of the prosecution portion of the national narcotics strategy. It leads in domestic and international narcotics and money laundering training, the former demonstrated by one money laundering prosecution training session and two money laundering and advanced forfeiture conferences given or scheduled for 1989; the latter by five international judicial seminars given or scheduled for 1989. The Section advises the field and supervises the utilization of some narcotics statutes. It reviews sensitive initiatives such as wire taps, witness protection, immunities, release of FOIA information, undercover operations (through the undercover review committee), and the use of classified methods to enhance investigation. It is the primary contact of the Department in implementing Presidential Directive 27 for interagency coordination. The Section prepares and reviews other agencies' congressional testimony, statutory initiatives and congressional correspondence. It responds to governmental and private citizen correspondence. It prepares teaching materials including the quarterly Narcotics, Forfeiture, and Money Laundering Update.

In the area of litigative support, the Section's policy and program goals are promoted by having a staff of trial attorneys whose policy and legal advice to the field is current and authoritative. Each of the attorneys tries current cases in support of the needs of the U.S. Attorneys' Offices. These cases arise when the U.S. Attorney is required to recuse himself, or the U.S. Attorney's Office temporarily lacks the experienced personnel to investigate and prosecute a particularly sophisticated case or when the Section attorneys are developing an innovative program to address the drug crisis. This latter instance is best exemplified by the narcotics money laundering task forces and should be followed by ground breaking efforts in the areas of drug diversion control, crack house programs, drug paraphernalia programs and diversion of essential and precursor chemicals. The Section litigates in the U.S. Courts of Appeals the appeals from the decisions of the Administrator of the Drug Enforcement Administration (DEA) to schedule drugs and license drug dispensers, a case load significantly increased by the increased statutory authority given the Administrator.

Accomplishments and Workload: The recent experience and projections for the future with regard to litigation for which the Narcotic and Dangerous Drug Section is directly responsible are represented quantitatively in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Matters:				
Pending, beginning of year	31	68	93	117
Opened	73	40	59	71
Closed	36	15	35	52
Pending, end of year	68	93	117	136
Cases (lead prosecution):				
Pending, beginning of year	50	41	51	51
Opened	45	11	38	46
Closed	54	1	38	49
Pending, end of year	41	51	51	48
Disposition of defendants in cases litigated:				
Convictions	191	76	140	148
Acquittals/dismissals	10	7	...	...
Other dispositions (transfers to U.S. Attorneys, deaths)	...	1	...	...

The number of available attorney workyears has declined over the past two years while the number of long term complex cases and investigations the Section has been called upon to handle have increased. Concurrently, the number of legal support matters have increased. As a consequence, the ability of the Section to support U.S. Attorneys' Offices was reduced. With the addition of new resources in 1990, increased numbers of investigations and cases will be opened and closed. Additionally, pilot programs involving drug paraphernalia and money laundering prosecutions, drug gangs and urban crime centers will be initiated and monographs on drug diversion from the legitimate to illegitimate markets and money laundering will be published.

Program Changes:	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Narcotic & dangerous drug prosecution..........................	74	67	$5,748	73	66	$5,743	- 1	- 1	- $5

Program change represents productivity and management savings of 1 position, 1 workyear and $5,000.

	1990 Appropriation Anticipated Perm. Pos.	1990 Appropriation Anticipated WY	1990 Appropriation Anticipated Amount	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Internal security....................	44	34	$2,691	44	41	$3,520	43	40	$3,515	- 1	- 1	- $5

Long-Range Goal: To enforce, in an effective and uniform manner, approximately 100 criminal statutes and regulations affecting the national security and foreign relations of the United States.

Major Objectives:

To investigate and litigate cases and matters in the area of national security.

To provide oversight and supervision of all prosecutions involving the Neutrality statutes, the Espionage statutes, the Arms Export Control Act, the Export Administration Act and the Classified Information Procedures Act.

To provide legal support and investigate guidance to all Federal investigative agencies engaged in national security matters.

To administer and enforce the Foreign Agents Registration Act (FARA) and two additional registration statutes.

To enforce the Federal Regulation of Lobbying Act, a conflict of interest statute, and a portion of the Federal Election Campaign Act of 1976.

To provide assistance to Members of Congress and all other appropriate officials involved in the regulation of lobbying.

Base Program Description: This program enforces statutes and regulations relating to the national security and foreign relations of the United States by: supervising investigations and prosecutions involving national security and foreign relations; providing legal and policy guidance to the U.S. Attorneys, law enforcement agencies, the U.S. intelligence community, and the intelligence agencies of allied nations in the area of national security litigation; administering and enforcing the FARA, including the registration of representatives of foreign governments and entities; supervising investigations, conducting inspections and conducting all FARA-related criminal and civil litigation; providing specialized legal support to U.S. Attorneys in the areas of policy interpretation, legal research, and the drafting of indictments, pleadings and other legal papers; directly participating in criminal litigation, including grand jury proceedings, trials, appeals, and related legal actions; developing, analyzing and evaluating proposed legislation related to the internal security field; serving as the focal point for interagency coordination in cases such as espionage, neutrality, arms export control and export administration violations and cases involving the Classified Information Procedures Act; participating in international conferences involving the enforcement of NATO export control mechanisms through the Coordinating Committee for Multi-National Export Controls (COCOM); and participating in extremely sensitive matters such as prisoner exchanges with Soviet bloc countries.

Accomplishments and Workload: The recent experience and projections for the future with regard to litigation for which the Internal Security Section is directly responsible are summarized quantitatively in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Matters:				
Pending, beginning of year	110	161	203	245
Opened	121	269	289	319
Closed	70	227	247	267
Pending, end of year	161	203	245	297
Cases (lead prosecution):				
Pending, beginning of year	30	35	45	55
Opened	25	29	34	42
Closed	20	19	24	34
Pending, end of year	35	45	55	63
Disposition of defendants in cases litigated:				
Convictions	69	75	85	90
Acquittals/dismissals	3	...	...	...

The overall increase in the number of cases and investigations has resulted from the expanded case work of the Export Control and Espionage Units, and the increase in registrants and matters handled by the Registration Unit. There continues to be an increase in issues involving the Classified Information Procedures Act arising out of criminal prosecutions involving espionage and drug related offenses. For example, Section attorneys have expended a substantial amount of effort in assisting the Independent Counsel in the handling of hundreds of thousands of pages of classified material during the investigation and prosecution of the Iran/Contra cases, and providing important legal advice on the handling of national security issues during litigation.

The additional resources provided by the 1990 Budget will greatly enhance the investigative and prosecutive capabilities of the Department. This Section anticipated, prior to the availability of these additional resources, that investigations and prosecutions would increase by 8 and 14 percent. The additional investigative resources will result in a significant increase in the number of investigations conducted into the illegal export of weapons and strategic technology. The additional positions provided to the U.S. Attorneys' Offices will result in a significant increase in the prosecution of these cases. These increases, as well as the increased investigation and prosecution of drug related offenses, will also cause a corresponding increase in issues involving the Classified Information Procedures Act (CIPA).

Program changes:	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Internal security..	44	41	$3,520	43	40	$3,515	- 1	- 1	- $5

Program change represents productivity and management savings of 1 position, 1 workyear and $5,000.

	1990 Appropriation Anticipated Perm. Pos.	1990 Appropriation Anticipated WY	1990 Appropriation Anticipated Amount	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
General litigation & legal advice.....	78	55	$4,383	78	71	$6,143	78	71	$6,143	...	...	...

Long-Range Goal: To achieve directly, or through assistance to the U.S. Attorneys, the prompt disposition of all matters within the six major law enforcement responsibilities of the program, and to improve the efficiency and effectiveness of Federal, State and local criminal law enforcement efforts through the encouragement of improved intergovernmental coordination and cooperation.

Major Objectives:

To develop and implement enforcement programs in certain key statutory areas where special requirements indicate the need for centralization.

To develop and prosecute major cases under a vast range of statutes due to recusal, lack of resources or lack of pertinent expertise in U.S. Attorney Offices.

To defend civil suits seeking to obtain information on or to interfere with criminal justice activities and national security operations.

To provide support to the U.S. Attorneys in the conduct of all litigation within the program's subject areas.

To coordinate and participate in crime resistance programs related to the program's statutory responsibilities, including the encouragement of voluntary involvement by corporations and individuals in the private sector in crime resistance efforts.

To provide legal and policy advice to the Assistant Attorney General, Deputy Attorney General, and Attorney General, as well as other components of the Department, on issues of major importance to the Department.

Base Program Description: The six major substantive areas addressed by the General Litigation and Legal Advice Section are: (1) Crimes Against the Public - This includes kidnapping, extortion, bank robbery, riot, firearms and explosives violations, arson, fugitive felons, motor vehicle theft, false identification crimes, interstate transportation of stolen property, and offenses on Federal or Indian reservations or on the high seas. (2) Crimes Against Government Operations - This includes attacks on Federal officials (including the President, Vice President, Congressmen, and designated Federal agency personnel), attacks on candidates for Federal office, unlawful electronic surveillance, theft or destruction of Government property, counterfeiting, postal depredations, obstruction, perjury, false personation, and immigration offenses. (3) Regulatory Enforcement - This relates to violations of criminally enforceable regulations which have been promulgated by such agencies as the Departments of Agriculture, Commerce, Interior, Labor, State, Transportation, and Health and Human Services as well as the Nuclear Regulatory Commission. These violations most frequently pertain to the protection of health, safety, and welfare. Included among these areas of regulation are offenses related to the knowing mishandling of nuclear materials, and flagrant breaches of mine or occupational safety standards. This area also includes trademark, copyright, customs, and industrial espionage violations. (4) Terrorism - This includes the supervision of all terrorism matters, even though certain statutes applicable to particular incidents are normally the responsibility of other Sections. In addition, certain statutory areas are specifically assigned including hostage-taking, air piracy, attacks on foreign officials and official guests of the United States, destruction of aircraft and aircraft facilities and rewards. This area also includes the Section's Counter-Terrorism Management Group. (5) Post-Conviction and Special Matters - This relates to the defense of suits challenging actions by, or procedures of, the Bureau of Prisons or Parole Commission (habeas corpus, coram nobis, etc.). It also encompasses the administering of Federal statutes pertaining to juveniles, mental competence, sentencing, prisoner transfer treaties, detainers, and prison offenses. (6) Special Civil Matters - This includes the defense of civil injunctive actions instituted against the Government or its agents as a result of steps taken, or allegedly taken, in the course of criminal or national security investigations.

Approximately 75 percent of all Federal criminal statutes are assigned to the program, including many violent crimes and most Federal "street" crimes. In priority or sensitive criminal areas, the program serves as an enforcement entity, prosecuting and assisting in the prosecution of cases, and coordinating the various U.S. Attorney Offices and investigative agencies. When a matter is likely to merit prosecution by Section attorneys, the agencies immediately advise the Section of the initiation of an investigation, thus affording the opportunity for Section attorneys to provide guidance on crucial aspects of the investigation. In a more general way, the Section supports litigation by drafting or commenting on proposed legislation. Legislation can overcome the long-run effects of an adverse decision and usually has an effect on both the scope and nature of future litigation. To conserve Federal litigation resources, Section attorneys also interact with the private sector, e.g., industry and labor, and Federal and non-Federal enforcement agencies, regarding adoption of crime resistance measures.

Accomplishments and Workload: The recent experience and projections for the future with regard to criminal litigation for which the General Litigation and Legal Advice Section is directly responsible are summarized quantitatively in the following table:

Item	1988	1989	Estimates 1990	 1991
Matters:				
Pending, beginning of year	41	46	33	36
Opened	46	41	60	80
Closed	41	54	57	77
Pending, end of year	46	33	36	39
Cases (lead prosecution):				
Pending, beginning of year	14	14	13	14
Opened	4	7	13	22
Closed	4	8	12	18
Pending, end of year	14	13	14	18
Disposition of defendants in cases litigated:				
Convictions	10	10	14	18
Acquittals/dismissals	1	1	1	2
Other dispositions (deferred prosecution, deaths)	2	1	1	1

In addition, during 1989, Section attorneys handled 10 criminal cases in the Courts of Appeal and 10 civil cases in the District courts and/or Courts of Appeal.

Currently, the primary enforcement initiatives of the General Litigation and Legal Advice Section involve combatting terrorism, career criminals/weapons violations, immigration offenses, and nuclear safety. Increases in investigations and cases are due to increased terrorist activities, increases in workload anticipated from President Bush's 1990 violent crime initiative, and expanded activity in career criminals/weapons violations and nuclear safety initiatives.

--Terrorism. The Section is combatting terrorism through exhaustive investigation and vigorous prosecution of persons responsible for terrorist acts. To upgrade its response to terrorism, the Department created within the Section a Counter-Terrorism Management Group, headed by a senior attorney experienced in terrorism prosecutions. The signal accomplishment was the conviction and sentencing to 30 years of Fawaz Yunis, a Shiite Moslem, for aircraft hijacking, hostage-taking, and conspiracy as a result of the hijacking of a Royal Jordanian aircraft at Beirut, Lebanon, with Americans on board. This was the first conviction under U.S. law of an international terrorist for a terrorist act committed outside the U.S. His arrest represented the first overseas arrest by U.S. law enforcement officials of a suspected terrorist being sought under U.S. laws.

Other investigations currently pending in the Section include, among others: (1) the hijacking of TWA Flight 847 by Shiite terrorists; (2) the attempted bombing of the U.S. Embassy at Jakarta, Indonesia; (3) the bombing of a Pan Am Airlines jet en route to Honolulu, Hawaii; (4) the bombings of USO Clubs in Barcelona, Spain, and Naples, Italy; (5) the murder of a U.S. military attache in Athens, Greece; (6) the bombing of the American Embassy in Rome; (7) the murder of four U.S. Marines in El Salvador; and (8) the bombing of Pan Am Flight 103 in route to New York from Great Britain; (9) the murder of an U.S. Army officer in Manila; (10) the abduction of a Marine Lieutenant Colonel, assigned to the U.N. Truce Supervision Organization in northern Israel; and (11) the bombings of U.S. troop trains in West Germany. A Section attorney is participating in the prosecution of 16 defendants, many of whom are leaders of violent Puerto Rican independence groups, for the robbery of $6,956,520 from a Wells Fargo facility. So far, six defendants have pled guilty or been convicted.

--Weapons/Career Criminal Initiative. During 1990, enforcement relating to career criminals is one of the Section's initiatives. The Section will assist United States Attorneys' Offices in assembling career criminal task forces to target career offenders and reduce the crime rate by a vigorous attack on recidivists. The task forces will emphasize triggering available mandatory minimum penalties under the Armed Career Criminal Act, the Anti-Drug Abuse Act of 1988, and the Sentencing Reform Act. Where appropriate, Section attorneys will participate on such task forces and directly participate in prosecutions. The Section will monitor the guidelines restricting federal plea bargaining in weapons and/or career criminal cases to ensure that dangerous felons receive the maximum penalties Congress has mandated and encourage the use of pre-trial detention under the "danger to the community" provision of the Bail Reform Act of 1984. The Section will continue working with other elements of the Division and Department to amend the firearms laws to provide greater penalties for those violating them, to keep more dangerous weapons under regulation, and to keep firearms from a broader spectrum of undesirables. Efforts will be made to induce the States, through the Executive Working Group to strengthen their firearms statutes in similar fashion and, in particular, to prevent the automatic restoration of the right of dangerous convicted felons to possess firearms.

—Immigration Offenses. The decision to commit the Section to an enforcement initiative in this area reflects a commitment to assist the Immigration and Naturalization Service (INS) in its enforcement of the Immigration Reform and Control Act of 1986. By enacting this legislation, Congress recognized that "employment is the magnet that attracts aliens here illegally." This enforcement initiative is designed to complement INS' own efforts and to promote the declared policy of the Congress to remove these economic incentives to illegal immigration by penalizing employment of illegal aliens. To that end, the Section litigates selected cases, develops policy, reviews proposed INS undercover operations, participates in training exercises and assists in implementing an enforcement program.

—Nuclear Safety. This initiative is based on the potentially catastrophic consequences which can emanate from nuclear disasters and the difficulties inherent in prosecuting nuclear regulatory cases. The Section reviews all Nuclear Regulatory Commission referrals of criminal investigations: referring to the appropriate U.S. Attorneys' Offices, those referrals which are not sufficiently complex to merit Section resources; and promptly analyzing the prosecutive merit of all other referrals, declining those which merit no action and pursuing (either directly when warranted or by monitoring the efforts of U.S. Attorneys) the timely investigation and possible eventual prosecution of the meritorious complex referrals. A Section attorney obtained the conviction of a hospital technician for knowingly injecting overdoses of radioactive drugs into patients. Section attorneys and personnel of the Nuclear Regulatory Commission have developed a memorandum of understanding relating to criminal referrals and the problems of parallel administrative and criminal proceedings, which are particularly difficult in the field of nuclear power because of significant public health and safety consequences. In a related health and safety area, Process Technology, Inc., pled guilty to a violation of the Federal Meat Inspection Act resulting from the illegal irradiation of 38,880 pounds of pork tenderloin for export. This was the first case referred by the Department of Agriculture concerning illegal irradiation of food.

In addition, the Section defends civil suits seeking to obtain information or to interfere with criminal justice activities and national security operations. For example, Section attorneys successfully contended on appeal that there is no constitutional requirement for a post seizure probable cause hearing for vehicles seized by the Immigration and Naturalization Service for transporting illegal aliens. The Section sustained Drug Enforcement Agency regulations governing the use of peyote by religious groups. The Section was also successful in having the District Court reinstate the validity of Bureau of Prisons regulations concerning entitlement to reductions in minimum parole eligibility. In another case, the Court of Appeals upheld the Bureau of Prisons regulations permitting involuntary medication of mentally ill inmates with antipsychotic drugs.

The Section also supports United States Attorneys and other Department components in the conduct of other litigation. For example, a Section attorney participated in the investigation and prosecution of six individuals for their participation in the shooting at two trucks carrying coal during a violent coal strike that resulted in one driver being killed and the other wounded. Another attorney successfully prosecuted the first case under the Occupational Safety and Health Administration Act of 1970 in which the defendant was sentenced to incarceration.

Crime resistance is often the most cost effective way to reduce crime. In this regard, the Section has worked with the National Committee on Uniform Traffic Laws and Ordinances to improve the provisions of the Uniform Vehicle Code (which serves as the model state code for vehicular matters) relating to the titling and registration of motor vehicles, controls over vehicle salvage, and criminal laws relating to the theft and disposition of stolen vehicles. The Section has also urged the National Highway Traffic and Safety Administration to promulgate voluntary Federal component identification standards, thereby encouraging more vehicle manufacturers and owners to apply the vehicle identification number (VIN) to additional components of the vehicle in order to deter theft. The Section has also lectured and participated in seminars to spread awareness in the law enforcement community about the new mandate on Federal component identification standards that requires the VIN to be placed on up to 14 components of high theft passenger cars.

The Section regularly provides legal advice to the various components of the Department on complex issues. For example, in terrorism cases, Section attorneys advise on the extent and nature of our extraterritorial law enforcement jurisdiction. The Section has also prepared Attorney General guidelines under the Anti-Drug Abuse Act of 1988 on FBI investigations of felonious killings of State and local law enforcement officers. Section attorneys have developed a new memorandum of understanding with the FCC concerning theft of cable programming and have prepared a copyright monograph that describes the copyright statutes and details methods of proving copyright cases. The section has also participated in the development of new international conventions relating to terrorist acts committed at international airports and against maritime shipping. Implementing legislation is now being prepared. Further, the Section is coordinating the preparation of an Indictment Form Book which will serve as a resource for all Federal prosecutors.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Office of special investigations......	45	44	$3,731	45	44	$3,893	43	42	$3,882	- 2	- 2	- $11

Long-Range Goal: To locate, investigate, denaturalize and deport individuals who concealed activity committed during World War II involving the persecution of others because of race, religion, national origin, or political opinion, in order to gain entrance to the United States.

Major Objectives:

To identify all alleged Nazi war criminals living in the United States.

To review and investigate systematically all relevant allegations received by the program.

To prosecute appropriate cases.

To develop and maintain working relationships with foreign governments having information relating to the activities of suspected Nazi war criminals.

To prevent entry of Nazi persecutors into the United States.

Base Program Description: This program detects, identifies, investigates, and, where appropriate, takes legal action to denaturalize and/or deport any individual who assisted the Nazis by persecuting any person because of race, religion, national origin or political opinion, who later was admitted as an alien into, or became a naturalized citizen of, the United States. The activities of this program include historical research, file review, investigations, witness interviews in the U.S. and abroad, litigation support, and denaturalization/deportation litigation before administrative bodies and U.S. courts. There are four major phases of work: (1) identification, consisting of matching a name of a United States resident to an allegation or suspicion of war crimes, and opening an Office of Special Investigations (OSI) file on that person; (2) investigation of suspects; (3) filing litigation; and, (4) appeals of judgment or other final orders. Four types of litigation action may be conducted: (1) if the subject is a naturalized citizen, a civil complaint may be filed in the U.S. District Court seeking a judgment of denaturalization; (2) for resident aliens (including denaturalized citizens), administrative proceedings are brought to seek their deportation; (3) criminal indictments may be pursued in cases which involve perjury (18 U.S.C. 1001) or other crimes within the statute of limitations; and (4) extradition. The litigation phase begins when the Complaint/Order to Show Cause/Indictment is filed; it ends with the judgment or the final order, and that is the basis for appeal.

Accomplishments and Workload: The recent experience and projections for the future of the Office of Special Investigations is summarized quantitatively in the following table:

			Estimates	
Item	1988	1989	1990	1991
Investigative Matters:				
Pending, beginning of year	600	581	512	512
Opened	20	38	50	50
Closed	39	107	50	50
Pending, end of year	581	512	512	512
Cases:				
Pending, beginning of year	27	23	22	19
Opened	7	6	5	4
Closed	11	7	8	6
Pending, end of year	23	22	19	17

Some of the most recent accomplishments of the Office of Special Investigations include the following:

-- Denaturalization of two additional war criminals in 1989, bringing the total denaturalized to date to 32.

-- Permanent departure from the U.S. of four Nazi war criminals in 1989, bringing the total of permanent departures to 32.

-- Continued rendering of assistance to Australia, Canada and now Great Britain, in their efforts to locate, investigate and litigate their own Nazi war criminals.

-- Successful negotiations with the Governments of Hungary, East Germany and the U.S.S.R., which resulted in our being given continued, if not expanded, access to their relevant documentation on the Holocaust.

-- Worked with the Immigration and Naturalization Service and the Department of State to exclude known Nazi war criminals from entering the United States.

OSI has been "proactive" in its investigations, not merely waiting for allegations from outside sources. A computer database and data retrieval system to assist in the identification of potential subjects for prosecution has been designed in house. The database is the most complete collection in the world of potential Nazi criminals and persecutors. This system has resulted in hundreds of investigative files and the institution of approximately 20 cases. Tens of thousands Nazi war criminals have been barred entry into the United States as a result of this system.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Office of special investigations..............................	44	41	$3,520	43	40	$3,515	- 2	- 2	- $11

Program change represents productivity and management savings of 2 position, 2 workyears and $11,000.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Prosecution support..................	169	137	$9,464	169	160	$12,234	169	160	$12,234	...	...	...

Long-Range Goal: To provide the legal assistance and central coordination necessary to maximize the effectiveness of Federal criminal law enforcement.

Major Objectives:

International Affairs

To promote the negotiation of treaties with foreign governments that will improve the ability of the United States to extradite fugitives, to acquire evidence, to transfer prisoners, and to accomplish other purposes which will aid the criminal justice system in the United States.

To assist Federal and state authorities in obtaining fugitives, evidence and legal assistance from foreign governments.

To represent, or supervise the legal representation of, foreign governments' extradition and evidence requests in U.S. courts.

To monitor the execution of Prisoner Transfer treaties so as to minimize any delay in transporting prisoners eligible for transfer to their countries of nationality.

Enforcement Operations

To provide effective and reliable service to Federal prosecuting attorneys in the implementation of the statutes and regulations that affect them.

To maintain a legal brief and policy memoranda bank and to integrate into the legal brief bank the briefs in opposition to petitions for writs of certiorari and the Solicitor General appeal memoranda that are generated by the Division.

To maintain an up-to-date U.S. Attorneys' Manual and prepare Criminal Division updates on a regular basis so that all portions of the Division's contribution to the Manual will remain current and informative.

To coordinate responses to Freedom of Information Act and Privacy Act requests pertaining to the Criminal Division.

To review requests for authorization of electronic surveillance and recommend authorization or disapproval of requests pursuant to 18 U.S.C. 2518 in an expeditious manner.

To perform the appropriate review of witness relocation requests and deal with the myriad matters associated with the Witness Security Program.

To renew requests from U.S. Attorneys to immunize witnesses in Federal cases pursuant to 18 U.S.C. 600 et. seq.

Asset Forfeiture

To litigate and assist U.S. Attorney Offices in litigating forfeiture cases where:
- (a) major cases arise in districts in which the U.S. Attorney Offices lack the expertise or personnel to conduct the case effectively.
- (b) backlogs of forfeiture cases arise because of other demands on U.S. Attorney Offices.

To advise and train investigative agents and Assistant U.S. Attorneys to make greater use of forfeiture provisions and better manage seized and forfeited assets.

To process and resolve petitions for remission and mitigation in judicial forfeiture cases.

To support directly the U.S. Marshals Service and investigative agencies in improving the management of seized and forfeited property.

To review all settlements in forfeiture cases in which the difference between the gross amount of the original forfeiture claim exceeds $60,000 but is less than $750,000.

To encourage coordination with state and local authorities on forfeiture matters.

To provide legal advice and assistance to United States Attorney Offices regarding the collection of criminal fines and appearance bond forfeiture judgments.

Base Program Description: This program seeks, through the Division's Office of International Affairs (OIA), to centralize, coordinate and execute the Department's responsibilities concerning international legal matters related to criminal law enforcement in the areas of extradition and international legal assistance. The handling of treaty negotiations, treaty implementation and international legal assistance requires effective liaison between OIA and numerous foreign and domestic entities, including Department of State, foreign governments and INTERPOL. To assure that extradition requests submitted by the United States meet the requirements of the relevant extradition treaties, OIA advises Federal and state prosecutors on the preparation of all United States extradition requests, OIA either directly represents, or supervises the representation of, foreign extradition requests before United States courts. Included among cases handled by OIA are some of the most important narcotics trafficking, fraud, and violent crime cases prosecuted in this country and abroad. Similarly, to assure that requests submitted by the United States seeking evidence from foreign countries under mutual assistance treaties in criminal matters meet the requirements of the applicable treaty, OIA, acting as the United States Central Authority under the treaties, advises Federal and state prosecutors on the preparation of all such requests, and screens or redrafts them prior to transmittal. Mutual assistance treaties with Canada, the Bahamas, and the Cayman Islands are expected to enter into force in 1990, greatly increasing the demands placed on the Office. When, because of the lack of a mutual assistance treaty, such requests must be made by letters rogatory, OIA performs essentially the same processing role. To promote the reciprocal representation by foreign governments of United States evidence assistance requests, OIA either directly represents, or supervises the representation of, foreign evidence assistance requests before [illegible] States courts. As with extradition, such evidence requests are generally related to some of the most important investigations and prosecutions in this country, e.g., investigations of the international laundering of vast profits of major narcotics trafficking organizations. OIA has also been instrumental in obtaining the execution of search warrants in foreign countries in connection with the unlawful export of advanced technology goods, such as computers which could be used in weapons guidance systems.

Through the Office of Enforcement Operations (OEO), the Criminal Division regulates the effective and appropriate use of sensitive investigative techniques such as wiretaps, consensual monitoring and witness relocations through the application of uniform procedural guidelines by specially trained attorneys and paralegals. These individuals maintain effective liaison with the U.S. Attorney Offices, Organized Crime Strike Forces, U.S. Marshals Service, the Federal Prison System, the Federal Bureau of Investigation, and all other applicable Federal, State and local investigative agencies. The Office of Enforcement Operations possesses full responsibility to review and approve or disapprove requests from U.S. Attorneys, investigative agencies, and Congressional committees to place individuals believed to be endangered by organized crime figures in the Witness Security Program. It is responsible for coordination among Government prosecutors, investigative agencies, and U.S. Marshals Service personnel, the conduct of cases requiring witness protection, and participation in litigation arising out of the program, in cases where the United States is named as a party by virtue of any action taken or not taken with respect to the program. (Title 18, United States Code, Section 3121).

The Office of Enforcement Operations is responsible for the review, adjudication, and coordination of all applications for electronic surveillance under Title III of P.L. 90-351, codified in Title 18, United States Code, Section 2510-2520, and is solely responsible for the final recommendation to be made directly to the Assistant Attorney General. It participates in and, as required, conducts litigation arising from the grant of an application for electronic surveillance, and is responsible for performing ongoing analysis, review, and in-depth evaluations of the implementation of 18 U.S.C. 2510-20. The Office also receives and processes all requests received from U.S. Attorney Offices and Organized Crime Strike Forces for witness immunity pursuant to 18 U.S.C. 600 et seq.; OEO makes the final recommendation to the Assistant Attorney General for approval or rejection of such requests. In addition, OEO provides the various components of the Division and the U.S. Attorney Offices with a wide range of litigative assistance and prosecutorial support, including the following: processing requests for witness hypnosis in the Federal judicial system; processing requests for consensual surveillance in selected cases in sensitive areas; processing requests for disclosure of tax returns, taxpayer information and return information pursuant to the Tax Disclosure Act of 1976, as amended; processing Freedom of Information Act and Privacy Act requests; responding to allegations of illegal electronic surveillance; processing requests for permission to seek issuance of a search warrant for documentary material in the possession of a disinterested third party; updating the Criminal Division's portion of the United States Attorneys' Manual; maintaining the legislative files and records of the Division; maintaining the Legal Reference Unit, a legal brief and policy memorandum bank for use by Division attorneys and paralegals; responding to citizen mail on criminal matters by the Correspondence Unit; and processing requests to subpoena attorneys on criminal cases and to reveal grand jury information to state and local prosecutors. The provision of these services is accomplished through close liaison between OEO and litigating components of the Criminal Division and the United States Attorney Offices. The Office of Enforcement Operations has recently taken responsibility for prisoner transfers. During 1987 and 1988, new prisoner transfer relations are expected to be implemented with at least three more countries, thereby increasing the number of cases handled each year.

Prosecution support also includes the Asset Forfeiture Office which was created in June 1983 through a reorganization of the Criminal Division. The responsibilities of this Office include the conduct of civil and criminal asset forfeiture litigation, the development of policies which incorporate asset forfeiture into an overall law enforcement program and the improvement of existing practices regarding the management of seized and forfeited assets. Forfeitures are an important part of law enforcement because forfeitures allow the Government to confiscate property that lawbreakers use to commit crimes, e.g., the airplanes and boats they use to smuggle narcotics into the country and the cash they use to buy drugs for resale. By removing this working capital from criminals, forfeitures make it more difficult for lawbreakers to operate. By seizing the fruits of crime, e.g, the stocks and bonds purchased with money traceable to drug sales, or a business acquired by a pattern of racketeering activity, forfeitures further deter lawbreaking by taking the profit out of crime. Forfeiting criminal profits also promotes justice, because criminals should not grow rich from their violations.

Accomplishments and Workload: A quantitative summary of the Prosecution Support workload is presented in the following tables:

Item	1988	1989	Estimates 1990	1991
Foreign Extradition:				
Requests Pending, Beginning of Year	344	341	298	308
Requests Received	192	147	200	225
Requests Closed	195	190	190	190
Requests Pending, End of Year	341	298	308	343
U.S. Extradition:				
Requests Pending, Beginning of Year	582	694	632	762
Requests Received	428	447	605	715
Requests Closed	316	509	475	515
Requests Pending, End of Year	694	632	762	962
Foreign Legal Assistance:				
Requests Pending, Beginning of Year	210	430	465	530
Requests Received	246	237	265	295
Requests Closed	26	202	200	200
Requests Pending, End of Year	430	465	530	625
U.S. Legal Assistance:				
Requests Pending, Beginning of Year	495	553	630	830
Requests Received	237	269	435	587
Requests Closed	179	192	235	270
Requests Pending, End of Year	553	630	830	1,147

This amounts to 106 pending matters per OIA attorney. These statistics represent the number of matters (formal cases, investigations, requests for advice and assistance) which are pending as of September 30, 1989. Matters can be considered pending because: the fugitive(s) has not been located; we are waiting for the requested information; or interim legal proceedings have not been concluded. The information on pending matters is now available as a result of the implementation of a database system to capture this information.

Item	1988	1989	Estimates 1990	1991
Witness Immunities issued	4,701	4,496	5,000	7,453
FOI/PA Requests Received	1,327	1,212	1,300	1,938
Title III Applications Reviewed	789	712	800	1,267
Consensual Wiretap Applications Reviewed	2,143	1,582	2,000	3,279
Witnesses Accepted in Protection Program	219	182	250	562
Witness Security Applications Received	297	328	400	759
Prisoner Transfer Requests Received	200	135	250	496
Prisoners Transferred	103	208	200	256
Victim Compensation Matters Received	121	143	150	186

Forfeiture Cases (lead prosecution):

	1988	1989	Estimates 1990	Estimates 1991
Pending, beginning of year	19	23	40	55
Opened	6	55	85	125
Closed	2	38	70	100
Pending, end of year	23	40	55	80
Petitions for Remission/Mitigation Reviewed	450	340	400	450
Offers in Compromise Reviewed	60	25	30	40

Equitable Sharing Requests

	1988	1989	Estimates 1990	Estimates 1991
Pending, beginning of year	950	1,156	1,506	1,806
Opened	974	1,150	1,200	1,200
Closed	763	800	900	900
Pending, end of year	1,156	1,506	1,806	2,106

Founded in 1983, AFO has served as the de facto "general counsel's" office for all forfeiture matters affecting the Department and its component agencies. Historically, AFO's caseload has been primarily narcotics offense derived. However, with the passage of the Money Laundering Control Act of 1986, the newly enacted obscenity forfeiture laws, the new emphasis on RICO forfeitures and the recently enacted Savings and Loan legislation, the work of AFO transcends narcotics. Forfeiture is fast becoming the heart and soul of effective law enforcement Division-wide. The Anti-Drug Abuse Act of 1988 authorized hiring of 175 new forfeiture prosecutors for field U.S. Attorneys' Offices and 19 new Strike Force positions. The Savings and Loan legislation contemplates many new fraud prosecutors. This legislation contains extensive forfeiture provisions. Further, the President's 1990 initiative for violent crime will add 800 prosecutors to United States Attorneys' Offices. All of these will affect AFO's workload.

The Anti-Drug Abuse Act expanded the scope of money laundering forfeitures to include any real or personal property laundered as well as all property traceable to the transaction. With these new provisions, AFO will begin to handle money laundering forfeitures for a wide variety of crimes. Additional resources expected in 1990 will enable AFO to pro-actively initiate a wide variety of forfeiture prosecutions using money laundering offenses as its hook. For example, AFO has been meeting with members of the D.C. Metropolitan Police Force about specific car dealerships that knowingly sell cars to drug dealers for cash. Pro-actively targeting such businesses would result in extensive forfeitures and would be sobering to other businesses (e.g., real estate salespersons and sellers of boats and small airplanes) who willingly accept illegal money.

The 1988 workload data displayed for forfeiture cases reflects only cases in which the Asset Forfeiture Office has sole prosecutorial responsibilities. Beginning in 1989, data includes both sole and lead prosecution responsibilities. The 1989 data were projected based on actual numbers for the first six months of the Fiscal Year. Base 1990 figures reflect an increase in cases expected to result from increased seizures by the FBI, DEA and INS. The 1990 figures are also based on an increase in cases expected to result from proposed large increases in staffing of AFO and the U.S. Attorneys' Offices with substantial additional resources dedicated to Asset Forfeiture cases. The 1991 figures reflect a full year of those increased resources in AFO and the U.S. Attorneys' Offices increasing forfeiture cases.

Some of the most significant accomplishments of the Asset Forfeiture Office to date include the following: the forfeiture of several parcels of real estate in the Southern District of Florida valued in excess of five million dollars as part of Operation Man; the civil prosecution of over $1.5 million in real and personal property relating to the illegal drug profits of a drug dealer in the District of Maryland; forfeiture of over $22 million in drug related assets; participation in the seizure for forfeiture of several million dollars in Operations Cashweb and Expressway in the Southern District of Florida and the District of Connecticut; the civil prosecution of several cases in Texas, including a recent settlement in a net gain to the Government of over $1.2 million; successful completion of two national training seminars; publication of two forfeiture training manuals; and participation in over two dozen LECC (state/local) training conferences.

During the past year, the Office of International Affairs continued with its program of negotiating new treaties, primarily extradition and mutual legal assistance treaties. The Office completed a six-year effort to replace the extradition treaty with Switzerland, and signed a Memorandum of Understanding with the Swiss clarifying the existing Mutual Assistance Treaty. The process of replacing outmoded extradition treaties and negotiating new mutual assistance agreements continues as resources permit. Supplemental extradition treaties were negotiated with Canada, the Federal Republic of Germany and Spain. OIA attorneys participated in the Council of Europe's multilateral negotiation of a judicial assistance treaty and the new Multilateral Convention of Narcotics (signed by the Attorney General during December, in Vienna, Austria). Six previously negotiated mutual legal assistance treaties (Canada, Mexico, Bahamas, Cayman Islands, Belgium, and Thailand) were reported out of the Senate Foreign Relations Committee and ratified by the full Senate. The Attorney General and other Department principals drew heavily on OIA's expertise in international affairs when preparing to participate in international law enforcement conferences during the past year.

The Office was able to provide prosecutors with expert advice and assistance on numerous occasions. Several of the most noteworthy instances included the assistance provided to U.S. Attorneys Offices during pretrial motions in the cases involving General Noriega, assistance provided to the U.S. Attorneys Offices in the investigation of the death of DEA Agent Enrique Camerena, and the assistance provided to the Federal Republic of Germany in the acquisition and preservation of evidence for the Hamadei trial. OIA also devoted substantial resources to requests for international assistance related to the Iran/Contra and Marcos investigations.

The Office also handled a number of significant cases involving the return of fugitives to the United States by way of extradition, including: Raul Vivas, a major money launderer identified in the PolarCap investigation, from Uruguay; ten Colombians involved with Colombian drug organizations (54 provisional arrest requests have been made to Colombia since August 1989); and defendants from Asian countries, especially Hong Kong, in complex investigations (e.g. Operation Bamboo Dragon, D.D.C., Operation Seahorse, N.D.C.A.); Linda Leary and her two sons, Paul and Richard Heilbrunn, who operated one of the largest drug trafficking operations in Indiana, from Austria; Adnan Mohammed Khashoggi, returned from Switzerland to stand trial in the Southern District of New York for mail fraud, obstruction of justice, perjury, and racketeering; Skender Krasniqi, returned to Cook County, Illinois, from Sweden for the murder of a Deputy Sheriff; and Gabriel Antonio Taboada, returned to South Carolina from Switzerland for the importation of over 1000 pounds of cocaine.

The Office further handled the extradition from the United States to other countries of several internationally significant fugitives, including Oen Yin Choy. Hong Kong requested the extradition of this former bank director who fled to the United States shortly before Hong Kong authorities discovered financial irregularities that cost shareholders of his bank millions of dollars. OIA litigated the second phase of the case after Oen's first unsuccessful trip to the Supreme Court. He is now in Hong Kong, awaiting trial. OIA also continues to provide support to the Southern District of New York in pursuing the extradition of two alleged Sikh terrorists sought by the Indian government on multiple charges of murder and armed robbery.

The importance of OIA's Rome office cannot be overlooked. This office serves as an international gateway in achieving successes which otherwise would not occur. For example, in the past eighteen months, three major fugitives, DeMuth, Chadwick and Butcher, charged in separate multi-count export control indictments in the United States, have been extradited from Italy to the United States. Two more such fugitives, Grandia and Van Amraat (the latter wanted for unlawful export of mustard gas precursors) have been arrested and are now the subject of extradition proceedings in Italy. The DeMuth, Chadwick and Butcher cases are the only successful extraditions from European civil law countries for export control violations and represent a significant breakthrough in the Department's export control prosecution program. Beyond representing an extraordinary precedent in Italy, they also serve as examples of the appropriateness of extradition for export control violations which can be cited in dealing with other European countries which have traditionally been less willing to entertain U.S. extradition requests in such matters.

In 1990, OIA will open two new foreign offices in Hong Kong and Mexico City. Hong Kong was selected because it serves as a "hub" city for major narcotics money laundering, servicing Japan, Singapore, Australia, Thailand and the Philippines. Selection of Mexico City reflects the growing number of cases involving Latin America. The benefits of establishing such offices will result in more expeditious handling of extraditions and judicial assistance matters. They will also be providing effective leadership direction to the various law enforcement components such as the DEA and FBI in these locations in developing stronger cases for prosecution.

The Director, Office of International Affairs, was named as the Department's coordinator for the European Communities' TREVI Group, which the United States has found to be the most significant international organization devoted to fighting terrorism. OIA currently devotes substantial resources to obtaining evidence and the return of terrorists for prosecution in the U.S. (as in the cases, U.S. v. Fawaz Yunis and U.S. v. Rashed) and to support foreign prosecution of terrorists (as in the Hamadei prosecution in West Germany and the prosecution in Italy of the Achille Lauro hijackers). OIA will direct resources received in 1990 to support this effort.

OIA will further increase resources used to obtain international assistance in the investigation and prosecution of organized crime cases and the extradition of organized crime fugitives. OIA is the coordinator of the Italian-American Working Group and expends considerable resources supporting that body's effort to increase bilateral cooperation in the fight against traditional organized crime. It has taken leading roles in efforts being made with regard to the Jamaican posses and Asian Organized Crime, chairing the U.S.-Jamaican Working Group. Additionally, OIA coordinates with and provides assistance to the Drug Enforcement Administration (DEA), Federal Bureau of Investigation (FBI), U.S. Customs Service, and federal prosecutors with regard to major drug money laundering cases which are international in scope. OIA's involvement generally begins in the early stages of investigation and continues until all fugitives are extradited, all necessary evidence from overseas is obtained, and all forfeitures are completed. OIA is also actively involved in providing assistance with regard to the many money laundering cases being investigated and prosecuted federally and by State and local law enforcement officials. Finally, resources will be used to fully implement the U.N. Drug Convention signed by the Attorney General in December 1988 and ratified by the U.S. Senate in November 1989.

During 1987 and 1988, over 1,400 electronic surveillance authorizations were processed to approval by the Office of Enforcement Operations. During 1986, 1987 and 1988 combined, close to 1,900 requests for electronic surveillance were recorded and processed. A survey indicates that over 95 percent of targeted interceptees indicted were convicted. The Office supervised the full revision of the United States Attorneys' Manual under guidelines set forth by the United States Attorneys. In 1988, the Office completed action on over 1,300 Freedom of Information Act (FOIA) and Privacy Act (PA) requests, defended 14 lawsuits seeking to compel disclosure of Division records under the FOIA or the PA, and continued to provide significant support to Division attorneys. In 1988, the Office of Enforcement Operations (OEO) received and processed in excess of 1880 matters relating to the Witness Security Program. These matters ranged from applications (351), to requests for psychological examinations (300), to production requests (450). The Office is also available to assist the more than 16,000 program participants at any time, as is consistent with the Department's continuing obligation to protected witnesses. In addition, in November 1987, OEO was given responsibility for prisoner transfers; formal approval authority was given in March 1988. In 1988, 105 prisoners were transferred, and 195 applications were received and processed. OEO received and reviewed in excess of 90 Victims Compensation matters in 1988. In 1990 and 1991, OEO expects significant workload increases to result from the addition of 800 prosecutors to the United States Attorneys' Offices. Almost all of these resources will be directed to the investigation and prosecution of criminal matters and will result in significant workload increases in the witness protection program, Title III applications reviewed, prisoner transfer requests received and granted and in the number of victims compensation matters. Two additional positions will be directed to handling these actions.

	1990 Appropriation Anticipated*			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Organized crime drug enforcement......	...	...	...	...	...	...	...	...	...	...	...	...

Long-Range Goal: To support the Drug Task Forces in investigating and prosecuting violations of Federal criminal laws that prohibit the importation, distribution, sale and use of harmful drugs.

* In 1990, resources for the Organized Crime Drug Enforcement program were transferred to the Organized Crime Drug Enforcement appropriation pursuant to Section 1055 of the Anti-Drug Abuse Act of 1988. These resources will be provided to the Criminal Division from the Organized Crime Drug Enforcement appropriations as a reimbursement.

Major Objectives:

To furnish assistance requested by Drug Task Force prosecutors to the full extent possible within the terms of applicable statutes, Departmental policies and procedures, case law, international conventions and bilateral treaties.

To provide regular communications and instruction to Drug Task Force prosecutors so as to improve their efficiency and their effectiveness.

To participate in the litigation of certain Drug Task Force cases for which Division personnel have developed special expertise.

Base Program Description: The Administration's law enforcement initiative against organized drug traffickers has increased the demands on the Criminal Division to provide certain types of prosecutorial assistance and to participate directly in the development of particular cases. For example, many Drug Task Force investigations depend upon electronic surveillance to obtain evidence on the activities of wrongdoers. By law (28 U.S.C. 2516), all electronic surveillance must be authorized by the Attorney General or a designated Assistant Attorney General. Before authorization, each application is reviewed by Division personnel, and a recommendation is made to the Assistant Attorney General. Then, following authorization of either a wiretap or the wireless interception of communication, reports must be collected and reviewed on the fruits of the surveillance. In addition to employing electronic surveillance techniques, many Drug Task Force prosecutions rely on witnesses whose personal safety is endangered by criminal elements. A prosecutor seeking to arrange for the protection of a witness — *e.g.*, by providing guards, by relocating the witness out of the danger area, by securing a new identify for the witness, etc. — must submit a request to the Division for review as to the qualification of the witness for the program and a determination as to the level of protection to be afforded to the witness.

Accomplishments and Workload: A quantitative summary of the work of the Criminal Division in support of the Task Forces follows:

Item	1988	1989	Estimates 1990	Estimates 1991
Electronic surveillance applications reviewed	160	142	160	253
Witnesses accepted in protection program	163	134	188	416
Extradition requests transmitted	132	143	188	220
Judicial assistance requests submitted	88	97	155	211

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
National obscenity enforcement unit	20	19	$1,573	20	20	$1,712	20	20	$1,712	...	...	...

Long-Range Goal: To coordinate, spearhead and increase the effectiveness of the Federal anti-obscenity/anti-child pornography effort as one of the top criminal justice priorities for the Department of Justice.

Major Objectives:

To prosecute major producers and distributors of obscenity and child pornography.

To initiate new investigative and litigative approaches utilizing all statutory and other appropriate criminal and civil remedies against distributors and producers of obscenity and child pornography.

To maintain national goals, priorities and standards while coordinating joint program planning and evaluation by Federal and State agencies charged with prosecuting similar cases.

To provide intensive training for prosecutors, investigators, and other law enforcement officials from all levels of government in obscenity, organized crime, and child sexual exploitation issues resulting in more effective and numerous investigations and prosecution case strategies.

Base Program Description: The National Obscenity Enforcement Unit (NOEU) comprises this decision unit. The staff of the National Obscenity Enforcement Unit provide expertise in obscenity and child sexual exploitation issues, act as lead or co-counsel in cases prosecuted, conduct seminars, and provide advice to United States Attorneys and investigative agencies.

Accomplishments and Workload: The recent experience and projections for the future with regard to litigation for which the National Obscenity Enforcement Unit is directly responsible are summarized quantitatively in the following table:

			Estimates	
Item	1988	1989	1990	1991
Matters:				
Pending, beginning of year	32	23	73	57
Opened	10	55	59	50
Closed	19	5	75	50
Pending, end of year	23	73	57	57
Cases (lead prosecution):				
Pending, beginning of year	5	11	5	47
Opened	14	5	60	25
Closed	8	11	18	18
Pending, end of year	11	5	47	54
Disposition of defendants in cases litigated:				
Convictions	7	16	18	23
Acquittals/dismissals	1	1	...	...
Other dispositions (transfers to U.S. Attorneys, deaths)	1	...	...	...

In the brief time since the Unit was formed, it has made significant progress in achieving the Attorney General's priorities in obscenity and child pornography. In 1987, the Unit presented numerous training seminars for prosecutors and law enforcement officials from all levels of government. These seminars focused on obscenity and child sexual exploitation issues. Also during 1987, the lawyers from the Unit served as co-counsel in the first use of the Racketeer Influenced and Corrupt Organizations (RICO) Statute with obscenity predicates in a trial that ended successfully with convictions and substantial forfeitures. The Unit also coordinated and assisted in planning the two largest child pornography undercover investigations--Project Looking Glass and Operation Borderline. These two projects produced over 200 indictments for violations of the federal Sexual Exploitation of Children statutes. Currently, NOEU staff are participating either as lead or co-counsel in many of the cases brought for prosecution. Several important milestones were reached in 1988 in obscenity and child sexual exploitation prosecution. These include:

-- An obscenity-based RICO indictment of Reuben Sturman, identified by the Attorney General's Commission on Pornography as perhaps the world's largest distributor of obscene materials;

-- An obscenity-based RICO indictment of Rubin Gottesman as part of an undercover operation (Perfect Picture), directed against large-scale organized criminal enterprises which distribute illegal obscenity;

— Assistance in the first Federal obscenity indictment and conviction in Los Angeles in a decade, resulting in a substantial period of incarceration and heavy fines; the assistance in the creation of the Los Angeles Obscenity Task Force designed to help clean up what the U.S. Attorney for the Central District of California has called "the smut capital of the country;"

— The indictment of twenty corporations in Project PostPorn (a nationwide operation) for distributing obscenity through the mails. These companies are believed to comprise as much as three-fourths of all such distributors in the nation;

-- The implementation of extensive international and national pornography investigations with the U.S. Customs Service;

— The suspension and coordination of sensitive undercover operations in the area of child pornography; and

— The publication of two prosecution manuals for Federal and State prosecutors on child exploitation and obscenity cases.

The NOEU staff is developing a data base management system which will allow them to capture detailed information concerning the number and types of convictions, indictments, states and districts involved, dispositions made, the dollar value of forfeited property, and fines assessed. Beginning with 1987, cases included in the figures represent a plan to target large scale distributors, producers and organized crime associates as opposed to small retailers that can be addressed at a local level. This plan will call for long term, complex investigations of greater magnitude.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and administration.........	87	83	$5,738	87	87	$6,488	86	86	$6,483	- 1	- 1	- $5

Long-Range Goal: To guide the administration of federal criminal justice in an effective, fair and consistent manner.

Major Objectives:

To supervise the development and implementation of Department policy so as to assure an effective, fair and consistent administration of Federal criminal laws.

To establish priorities and to provide general supervision of national enforcement of Federal laws.

To develop and implement policies relating to the efficient administration of the Division.

To provide administrative services necessary to the operations of the Division.

To analyze all legislative proposals developed within the Congress and the Administration which affect either the substance or procedure of the Federal criminal justice system, and to furnish advice, as appropriate, on the probable effect of such proposals on Federal law enforcement.

To analyze policy and management issues relating to criminal enforcement programs in order to identify and resolve problems.

To assist in developing Division policies and enforcement programs, and help coordinate the exchange of information with other components of the law enforcement system, including operating agencies and research institutions.

Base Program Description: The Office of the Assistant Attorney General carries out its policymaking, supervisory and liaison functions through the Assistant Attorney General, four Deputy Assistant Attorneys General, two Special Counsel, a Senior Counsel and support staff. Included in the Office of the Assistant Attorney General is the Office of Law Enforcement Coordination which is assigned responsibility for staffing the Executive Working Group for Federal-State-Local Prosecutorial Relations, for reviewing Federal district law enforcement plans, for managing the Division's program to abolish concurrent jurisdiction enforcement lapses, for supporting the Division's Crime Prevention Committee, for overseeing the Division's involvement in regional Law Enforcement Coordinating Committees, and for staffing other intergovernmental law enforcement management initiatives which were previously fragmented among several Division offices.

Administrative services are provided by the Office of Administration. Six operational units work closely with other organizational entities of the Criminal Division, the Department and other Federal agencies, to ensure that the Division's administrative services are provided in an efficient, timely, and cost-effective manner; the Office of the Director; the Personnel Unit; the Fiscal Unit; the Mail, File and Records Unit; the Procurement, Space and Security Unit; and the Management Information Systems staff. This last unit was established in 1984 to develop and install top priority automated data processing systems for caseload management information and correspondence tracking, and to provide selected ADP applications in support of investigations and litigation.

The Office of Legislation draws upon expertise that spans the entire breadth of criminal law, as well as familarity with congressional organization, rules, and procedures to conduct the Division's relations with the legislative branch, as well as its relations with the United States Sentencing Commission and the Judicial Conference's Advisory Committee on Criminal Rules. Close liaison is maintained with Members of Congress and their personal and committee staffs, many of whom look to this Office directly for advice and assistance concerning the criminal code and rules of procedure, drafting assistance, and oral and written briefings on the practical effect of legislation. The Office works closely with the Department's Office of Legislative Affairs, ranking officials of the Department and the Division, and the Federal investigative agencies. The Office of Legislation is also heavily involved in implementing the Sentencing Guidelines. The Director has been designated as the Division's Sentencing Coordinator and in that capacity chairs a multi-Division sentencing working group that meets periodically to discuss sentencing issues and resolve policy questions. The Office maintains frequent contact with the staff and members of the Sentencing Commission and attends its meetings. The Office furnishes comments on the Guidelines and develops recommendations for amendments.

Similarly, the Office prepares comments on and develops proposals for amendments to the Federal Rules of Criminal Procedure. The Office Director often substitutes for the Assistant Attorney General at meetings of the Judicial Conference's Advisory Committee on Criminal Rules, and serves as the Departmental contact source and spokesperson on most matters pertaining to the Rules. In addition, specific Office of Legislation personnel have been tasked with several ongoing special responsibilities such as providing advice on ethics matters to employees of the Division.

The Office of Policy and Management Analysis provides the Division with the analytical capabilities needed to perform program development, policy analysis, and management improvement functions. The Office advises the Assistant Attorney General on developing priorities for the Division, the Department, and Federal law enforcement generally. Most of the Office's projects are joint efforts with personnel from other units, such as the Inspector General. The Office's professional staff includes analysts with expertise in public policy, business administration, criminology, economics, organization behavior, program evaluation, information systems, statistical methods and related areas.

Accomplishments and Workload: The Office of the Assistant Attorney General continues to provide the Federal criminal justice system with national leadership, centralized coordination and effective direction. The role of the Assistant Attorney General manifests itself mainly in communications imparted to other governmental entities and, by extension, to the public. The legislative proposals transmitted to the Congress represent the Division's position regarding the changes which are needed to improve the criminal justice system. The arguments formulated for presentation to the

Supreme Court and courts of appeal reflect the considered experience of the Division as to the constitutional and statutory interpretations which will best support the enforcement of Federal laws in the long run. And finally, communications delivered to other law enforcement executives, Federal and non-Federal, in speeches, meetings, and correspondence serve to focus attention on the most pressing problems facing the criminal justice system and the means available to law enforcement executives to address those problems.

In the last year and a half, the Office of Administration initiated or completed several management improvements to increase the efficiency of various organizational components in the Division. The Office has: 1) Eliminated manual production of standard correspondence and forms through automation in two offices; 2) Developed and implemented two computer systems to assist the Office of Special Investigations in its name search capability and investigation of suspected Nazi concentration camp guards and other alleged war criminals; 3) Developed a computer capability to automate the name clearance process with the FBI for new employees of the Division and Main Justice; 4) Completed the automation of the Internal Security Section's Foreign Agents' Registration System, facilitating the production of its annual report to Congress; 5) completed the re-design of a major computer application used by the Division's Office of International Affairs to track extradition requests; 6) initiated the re-design of a computer application designed to track gambling device registrations for the Division's Office of Enforcement Operations and began the development of an attorney subpoena application for OEO; 7) initiated an in-house training program for all Division employees in computer security; 8) completed a feasibility study for the enhancement of appellate briefs processing for the Appellate Section; 9) initiated the design of a computerized document retrieval function to be used in conjunction with the Division's Automated Case Tracking System (ACTS); and 10) initiated and completed a bank fraud tracking application as a featured subset of the Division's ACTS system and automated form letters and case profile/file document information forms for the Defense Procurement Fraud Tracking application, also a featured subset of the Division's ACTS computer system. Staff also developed the Division's secure communication system - STU III. This new STU III System replaces older units locally as well as in all Organized Crime Strike Force Field Offices. The staff also completed a major procurement contract for data entry services required by the Asset Forfeiture Office to expedite processing of Equitable Sharing Requests.

The Office of Administration has continued to increase the Division's investment in general and legal automated information systems in 1989. In June, a new mid-range business computer was acquired, doubling our capacity for case tracking, time keeping, litigation support and management information applications. The vital correspondence control and tracking application was entirely re-written to reflect changing requirements. In September, the first order for Project EAGLE office automation equipment was placed resulting in the acquisition of two computers, custom designed to provide word processing, electronic mail, automated calendars, spreadsheets, and data base access for 270 employees. The associated Project EAGLE telecommunications network will soon connect Division offices nationwide and overseas with dependable, high-speed data transmissions.

During the past twelve months, the Office of Legislation completed or began work on a number of legislative initiatives including drafting the titles pertaining to firearms, ammunition clips which facilitate the criminal misuse of assault rifles, the death penalty, and the exclusionary rule in the President's Comprehensive Violent Crime Control Act of 1989. The bill has been introduced as S. 1225 and H.R. 2709. The Office also contributed to the development of the Governmentwide Ethics Act of 1989, major portions of which were enacted in P.L. 101-194 on November 30, 1989, and played a major role in the development of the enforcement provisions of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, P.L. 101-73 (the "Savings and Loan Bill," effective August 9, 1989), which greatly enhanced criminal and civil penalties applicable to fraud directed at federally insured financial institutions. Drawing on its longstanding expertise in the area, the Office contributed to the development of a death penalty provision for drug "kingpins" in cases where a death does not result which the Administration plans to offer in the near future and has drafted legislative proposals (1) to facilitate "sting" investigations involving stolen or counterfeit property (introduced as H.R. 3760), (2) to expand forfeiture in the area of fraud offenses, and (3) to provide for State concurrent criminal jurisdiction in certain places where only federal jurisdiction now exists. The Office also developed several amendments to the Federal Rules of Criminal Procedure which are in various stages of review within the Judicial Conference prior to their submission to Congress.

The Office has continued its extensive involvement with implementation of the guideline sentencing system. It prepared directions to all prosecutors regarding the handling of the backlog of sentencing matters when the Supreme Court upheld the constitutionality of the sentencing guidelines in United States v. Mistretta, participated in the development of directions from the Attorney General to all prosecutors concerning case settlement under the Guidelines, and chaired the Sentencing Working Group, composed of representatives of the various litigating divisions and the United States Attorneys.

The Office coordinates sentencing guideline policies for the Department for communication to the Sentencing Commission through its Ex Officio member, appointed by the Attorney General. In this regard, the Guideline amendment proposals published by the Commission in 1989, developing many responses itself and seeking the views of other components of the Department and of the Sentencing Subcommittee of the Attorney General's Advisory Committee of United States Attorneys. Many of the Department's suggestions were implemented by the Sentencing Commission. The Office also developed an entire chapter of sentencing guidelines, relating to the sentencing of organizations which became the basis of a proposed guidelines chapter recently published in the Federal Register for comment, and has developed regulations for the collection of criminal fines currently under review by Department components and the Internal Revenue Service. Finally, the Office has informed the Commission of the need for guideline amendments in several important areas and has worked with Commission staff and the Ex Officio Member in the development of these proposals.

During 1989 and early 1990, Office of Policy and Management Analysis (OPMA) analysts provided key staff support in the areas of Sentencing Guidelines, national drug enforcement policy, asset forfeiture, organized crime, international issues, white collar crime and Criminal Division management. In particular, OPMA was responsible for monitoring a variety of issues relating to the new Guidelines and represents the Department on the Research Advisory Committee of the U.S. Sentencing Commission. OPMA staff worked with Division managers in reviewing alternative approaches to organizational sentencing and helped prepare the Division's proposal to the U.S. Sentencing Commission on organizational sentencing. The proposal became the basis for the Commission's December 1989 draft of Organizational Sentencing Guidelines.

In March 1989, the Office of National Drug Control Policy (Drug Czar) replaced the National Drug Policy Board, and all staff work on drug policy issues shifted to the Office of the Attorney General (OAG). OPMA has provided staff support to the OAG. In particular, the Office participated in a comprehensive inter-departmental review of international drug law enforcement issues, as directed by the National Security Council; prepared a position paper on proposed money laundering initiatives; and did work in other areas such as domestic cannabis suppression, interdiction efforts, and civil commitment issues.

OPMA provided continuing support to the Asset Forfeiture Policy Advisory Committee (AFPAC) on a variety of policy and management issues including equitable sharing procedures, adoptive forfeiture policies, revision of the Attorney General's Guidelines on Seized and Forfeited Property, and management of the Assets Forfeiture Fund.

OPMA continues to assist in efforts against non-traditional organized crime, especially Asian Organized Crime (AOC) groups and the Sicilian Mafia. OPMA prepared a proposal, subsequently approved by the Attorney General, to create a standing International Asian Organized Crime Coordinating Group to improve the level of cooperation among nations against AOC. The Office will assist in preparing for a preliminary international conference. In a cooperative effort with the FBI and the Royal Canadian Mounted Police, OPMA is conducting field interviews and other research on the organization and activities of the Sicilian Mafia and other Italian Organized Crime groups in North America. Study objectives include assessing the relationship between the LCN and the Italian groups and defining the scope of Italian organized criminal activities in the United States.

OPMA staff have been involved in several international matters. The Office provided staff support to the Legal Questions Subgroup of the Financial Action Task Force (FATF). Mandated by the last Economic Summit, the FATF must provide the Group of Seven countries with recommendations to improve international cooperation in combatting money laundering. Staff also analyzed information on various visa issues and prepared the Criminal Division's position on the law enforcement implications of expanding the U.S. Visa Waiver Pilot program to six additional European countries. In addition, OPMA recently prepared the U.S. response to an extensive United Nations questionnaire on capital punishment, including compilation of relevant statistics and summaries of state and federal laws.

The Office also undertook a variety of projects in support of Criminal Division initiatives against white collar crime. The Office performed work related to Criminal Division concerns for the Executive Office for U.S. Trustees (EOUST). Staff performed extensive field work to identify problems in procedures for referring bankruptcy frauds for criminal prosecution and briefed EOUST on the findings. At the request of the Economic Crime Council Operations Committee, OPMA reviewed relevant literature and surveyed U.S. Attorneys' Offices and the Criminal Division to prepare a report on scientific jury selection practices. The results of this study were presented at a recent Economic Crime Conference.

In the area of Criminal Division management, OPMA prepares the Weekly Reports to the Attorney General for the Division. Staff also coordinated and participated in an internal study of the Criminal Division's organization and functions that examined the operations of each section and office. OPMA analysts collected and presented suggestions on ways the Department might improve retention of experienced prosecutors and did a comparative pay and career path study of OCRS Strike Force attorneys and AUSAs. The Office also prepared the Division's comments on the recent JMD Management and Planning Staff Report on Attorney Recruitment and retention in the Legal Division and responded to other studies as well.

As a special project, OPMA conducted some to work for the Bureau of Prisons related to the Witness Security Program. For example, staff performed a survey of state correctional organizations to determine where there are potential legal impediments to transferring prisoners in state custody to the federal prisons under the Witness Security Program. The Office also prepared an information packet for the states describing the International Prisoner Transfer Program.

OPMA continues to work on projects that generally support the Division's mission. The Office monitored the use of pretrial detention by analyzing data on such diverse aspects as court motions, defendant characteristics, length of detention, and case outcomes. OPMA participated in the Division's Fine Collections Working Group and is studying procedures for referring collections matters to U.S. Attorneys' Offices. The Office reviewed and commented on several research studies and advised researchers on the concerns and interests of the Criminal Division and the Department.

The new 1990 resources will enable the Office to effectively carry out new initiatives along with its ongoing responsibilities. OPMA currently has six policy analyst positions, the Director, and one secretary. Two areas requiring significant new commitments from OPMA staff are the emerging areas of organized crime and management initiatives for the Division. The FY 1990 positions will permit the Office to meet its responsibilities in new areas and to continue to actively support the Division and Department's drug enforcement efforts, respond to Division management issues, and upgrade its level of support to important interagency working groups, such as the Economic Crime Council.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management & Administration....................................	87	87	$6,488	86	86	$6,483	- 1	- 1	- $5

Program change represents productivity and management savings of 1 position, 1 workyears and $5,000.

General Legal Activities
Salaries and expenses
Criminal Division
Financial Analysis - Program Changes
(Dollars in thousands)

Item	PUBLIC INTEGRITY Pos.	PUBLIC INTEGRITY Amount	NARCOTIC & DANGEROUS DRUG PROSECUTION Pos.	NARCOTIC & DANGEROUS DRUG PROSECUTION Amount	INTERNAL SECURITY Pos.	INTERNAL SECURITY Amount	OFFICE OF SPECIAL INVESTIGATIONS Pos.	OFFICE OF SPECIAL INVESTIGATIONS Amount	MANAGEMENT & ADMINISTRATION Pos.	MANAGEMENT & ADMINISTRATION Amount	TOTAL Pos.	TOTAL Amount
GS/GM-15	1	$ 59	...	...	...	...	...	...	...	...	1	$ 59
GS/GM-14	2	101	...	...	...	...	- 2	-$101	...	...	...	...
GS/GM-13	...	...	...	...	...	...	...	...	- 1	-$43	- 1	-43
GS/GM-12	...	...	- 1	-$36	- 1	-$36	...	...	...	...	- 2	-72
GS-7	1	20	...	...	...	...	...	...	...	...	1	20
Total positions and annual rate	4	180	- 1	-36	- 1	-36	- 2	-101	- 1	-43	- 1	-36
Lapse (-)	-2	-90	...	...	...	...	...	...	...	...	- 2	-90
Total workyears and personal comp.	2	90	- 1	-36	- 1	-36	- 2	-101	- 1	-43	- 3	-126
Personnel benefits		25		-10		-10		-27		-12		-34
Travel		36		...		...		...		...		36
Transportation of things		2		...		...		...		...		2
GSA rent		25		...		...		...		...		25
Communications, utilities, and miscellaneous		18		...		...		...		...		18
Printing and reproduction		3		...		...		...		...		3
Other services		21		41		41		117		50		270
Supplies		11		...		...		...		...		11
Equipment		31		...		...		...		...		31
Total, workyears and obligations, 1990	2	262	- 1	- 5	- 1	- 5	- 2	-11	- 1	- 5	- 3	236

CRIMINAL DIVISION

General Legal Activities, Salaries and Expenses

Priority Rankings

Base Program

Program	Ranking
Organized Crime Drug Enforcement	1
Narcotic & Dangerous Drug Prosecution	2
Internal Security	3
Organized Crime Prosecution	4
Public Integrity	5
Fraud	6
Prosecution Support	7
Federal Appellate Activity	8
National Obscenity Enforcement	9
Office of Special Investigations	10
General Litigation & Legal Advice	11
Management and Administration	12

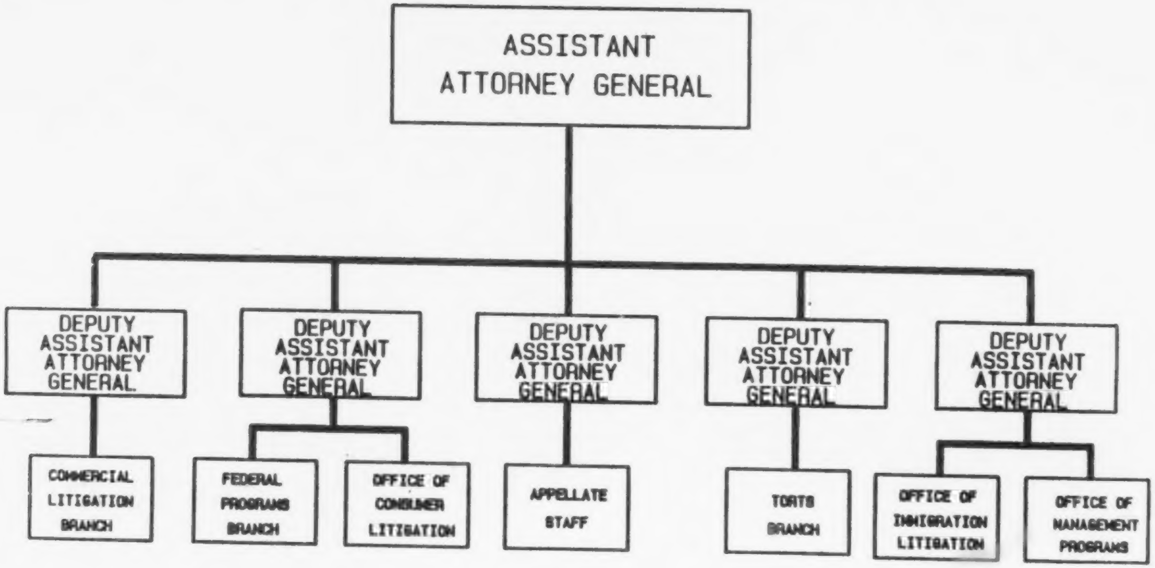
Program Increase

Program	Ranking
Public Integrity	1

Criminal Division
General Legal Activities, Salaries and Expenses
Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Item	1989 Authorized	1990 Authorized	1991			Total
			Transfers	Program Decreases	Program Increases	
Attorneys (905)	417	555	-122	...	3	436
Paralegal (950)	65	81	-7	...	...	74
Other legal and kindred (900-998)	10	10	...	...	...	10
Other miscellaneous (001-099)	3	4	...	...	...	4
Social sciences, economics (100-199)	6	4	...	- 2	...	2
General administrative, clerical (300-399)	262	319	-57	- 2	1	261
Accounting and budget (500-599)	6	6	...	- 1	...	5
Total	769	979	-186	- 5	4	792
Washington	557	743	30	- 5	4	772
Field	212	236	-216	...	...	20
Total	769	979	-186	- 5	4	792

CIVIL DIVISION


ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
COMMERCIAL LITIGATION BRANCH
FEDERAL PROGRAMS BRANCH
OFFICE OF CONSUMER LITIGATION
APPELLATE STAFF
TORTS BRANCH
OFFICE OF IMMIGRATION LITIGATION
OFFICE OF MANAGEMENT PROGRAMS

Approved: Edwin Meese III Date: 16 Feb 88
EDWIN MEESE III
Attorney General

Civil Division

Salaries and expenses, General Legal Activities

Crosswalk of 1990 Changes

(Dollars in thousands)

Activity/Program	1990 President's Budget Request			Congressional Appropriation Actions on 1990 Request (DOJ)			Reprogrammings			Sequestration			1990 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
Federal Appellate Activity.............	73	76	$6,322	-6	-3	-$215	...	...	...	...	...	-$73	67	73	$6,034
Torts Litigation.......	249	228	33,524	-39	-19	-2,055	...	...	...	...	...	-378	210	209	31,091
Commercial Litigation..	295	275	31,844	-18	-9	-1,823	...	...	...	...	...	-361	277	266	29,660
Federal Programs.......	150	139	12,583	1	1	31	...	...	...	...	...	-152	151	140	12,462
Consumer Litigation....	35	34	3,135	...	...	-171	...	...	...	...	...	-36	35	34	2,928
Immigration Litigation.	46	43	4,942	-6	-3	-658	...	...	...	...	...	-51	40	40	4,233
Management and Administration.......	101	102	6,660	3	2	12	...	...	...	...	...	-80	104	104	6,592
Total............	949	897	99,010	-65	-31	-4,879	...	...	...	...	...	-1,131	884	866	93,000

Explanation of Analysis of Changes from 1989 Appropriation Request

Congressional Appropriation Actions. Congress denied $1,512,000 in program increases sought for Automated Litigation Support (ALS). Staffing increases of $2,902,000 and an increase in foreign counsel funding of $364,000 were also denied.

Sequestration. These cuts were imposed in accordance with the Omnibus Budget Reconciliation Act of 1990 provisions.

Civil Division

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990	884	866	$94,131
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding	...	...	...
1990 as enacted	884	866	94,131
1990 sequestration	...	...	-1,131
1990 appropriation anticipated	884	866	93,000
Mandatory increases	...	35	4,408
Decreases	...	...	-154
1991 base	884	901	97,254

Estimates by budget activity	1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
4. Claims, customs, and general civil matters	881	782	$83,718	884	866	$93,000	884	901	$97,254	980	948	$102,621	96	47	$5,367
	App.	Reimb.	Total	App.	Reimb.	Total	App.	Reimb.	Total	App.	Reimb.	Total	App.	Reimb.	Total
EOY Employment:															
Full-time permanent	756	...	756	811	12	823	811	18	829	907	18	925	96	...	96
Other	29	...	29	73	...	73	73	...	73	73	...	73	...	...	...
	785	...	785	884	12	896	884	18	902	980	18	998	96	...	96

Civil Division

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1990 as Enacted	884	866	$94,131
1990 Sequestration	...	...	-1,131
1990 appropriation anticipated	884	866	93,000
Mandatory increases:			
Annualization of 1990 positions	...	35	1,262
Additional Compensable Day	...	...	195
1990 full year pay increase impact on 1991	...	...	1,564
1991 Pay Raise	...	...	653
Senior Executive Service Pay Increase	...	...	306
Special salary rates	...	...	23
Health benefits	...	..	224
GSA rent	...	...	157
GPO printing costs	...	...	3
Employee Data and Payroll Service	...	...	8
Foreign allowances	...	...	12
Distributed Administrative Support	...	...	1
Total, mandatory increases	...	35	4,408
Decreases:			
Federal Telecommunications System	...	...	-154
1991 Base	884	901	97,254

Civil Division

Salaries and expenses, General Legal Activities

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1989 as Enacted			1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Appellate Activity...............	67	73	$5,749	67	73	$5,763	67	73	$6,034	67	81	$6,561	74	84	$6,797	7	3	$236
Torts Litigation..........	210	189	27,468	210	177	27,307	210	209	31,091	210	211	31,884	216	214	32,291	6	3	407
Commercial Litigation....	277	254	26,538	277	240	26,233	277	266	29,660	277	268	30,660	330	295	33,800	53	27	3,140
Federal Programs.........	151	130	11,873	151	123	11,716	151	140	12,462	151	140	12,940	181	154	14,524	30	14	1,584
Consumer Litigation......	35	31	2,383	35	28	2,358	35	34	2,928	35	39	3,227	35	39	3,227	...	...	...
Immigration Litigation...	40	40	4,031	40	41	4,045	40	40	4,233	40	48	4,670	40	48	4,670	...	...	...
Management and Administration.........	101	102	6,284	101	100	6,296	104	104	6,592	104	114	7,312	104	114	7,312	...	...	...
Total..............	881	819	84,326	881	782	83,718	884	866	93,000	884	901	97,254	980	948	102,621	96	47	5,367
Reimbursable Workyears ..		...			...			12			18			18			...	
		819			782			878			919			966			47	
Other Workyear																		
Holiday..............		...			...			...			...			...			...	
Overtime.............		8			8			8			8			8			...	
Total compensable workyears............		827			790			886			927			974			47	

Civil Division

Salaries and expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary

(Dollars in thousands)

Activity: Claims, customs and general civil matters	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Appellate Activity	67	73	$6,034	67	81	$6,561	74	84	$6,797	7	3	$236
Torts Litigation	210	209	31,091	210	211	31,884	216	214	32,291	6	3	407
Commercial Litigation	277	266	29,660	277	268	30,660	330	295	33,800	53	27	3,140
Federal Programs	151	140	12,462	151	140	12,940	181	154	14,524	30	14	1,584
Consumer Litigation	35	34	2,928	35	39	3,227	35	39	3,227	...	...	...
Immigration Litigation	40	40	4,233	40	48	4,670	40	48	4,670	...	...	...
Management and Administration	104	104	6,592	104	114	7,312	104	114	7,312	...	...	...
Total	884	866	93,000	884	901	97,254	980	948	102,621	96	47	5,367

This activity provides representation for the United States' interests in all types of civil cases and matters except those within the specialized fields of the other divisions of the Department. The litigation encompasses the full spectrum of legal problems encountered by private business enterprises because the departments and agencies of the Government are engaged in innumerable commercial ventures similar to those of a modern corporation, such as buying, selling, construction, shipping, production of energy, insurance, housing and banking. In addition, the Division litigates the significant policy issues associated with Government activities. Hence, the overall objective of Civil Division activity is to provide the Government with the best possible legal representation. While the Division operates as the Government's law firm, it also functions as a counselor and advisor for important Government programs that may become the subject of litigation.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Appellate Activity..	67	73	$6,034	67	81	$6,561	74	84	$6,797	7	3	$236

Long-range Goal: To protect the interests of the United States at the highest levels of judicial review.

Major Objectives:

To prevail in appellate litigation challenging trial court or administrative decisions in favor of the United States.

To initiate and prevail in appeals in which the Government's opponents were successful at the trial court or administrative levels.

To protect the Government's interest at the highest level of appeal by preparing documents to be filed by the Solicitor General in the Supreme Court.

Base Program Description: Appellate litigation involves the spectrum of Government programs and policies. If the outcome of a trial involves huge financial losses, critical Government policies or Federal programs affecting the American public, the decision will almost certainly be appealed.

The financial stakes in appellate litigation are enormous. In 1988, $47 billion were at issue. By 1991, these stakes are expected to increase 17 percent to $55 billion. This caseload includes numerous tort claims, major bankruptcies and contract claims involving huge stakes. Entitlement programs involving billions of dollars in social and welfare benefits are also a frequent subject of hard-fought appellate litigation as plaintiffs go to court to have the qualifying rules rewritten.

Not infrequently, major policy initiatives are the subject of appellate review. Gun dealers challenged the ban on the importation of semi-automatic assault weapons. Drug testing cases are on appeal in circuits nationwide. The outcome of continuing litigation over the Decennial Census will affect apportionment, financing of public programs and business decisions. Challenges to Health and Human Services' abortion regulations prohibiting abortion advocacy in family planning projects funded under Title X of the Public Health Service Act are the subject of litigation. Immigration reform, national security, Freedom of Information Act and separation of powers cases are other critical areas handled by the Appellate Staff.

Adding to an already overwhelming caseload, new policies are certain to be challenged in court through the appellate level. We can expect the proposed regulatory reforms for Savings and Loans institutions to be the target of litigation. The Ethics in Government Act is certain to be challenged. Housing and Urban Development's attempt to remove suspected drug dealers from public housing will result in court action. By 1991 the Staff will be handling 2,246 new cases involving huge financial and policy stakes.

Workload and Accomplishments: The workload of the Appellate Staff is presented in the following table:

Appellate Litigation			Estimates	
	1988	1989	1990	1991
1. Handled by Appellate Staff				
a. Pending Beginning of Year	983	1,029	1,147	1,190
b. Received During Year	1,972	1,861	2,059	2,246
c. Terminated During Year	1,926	1,743	2,016	2,141
d. Pending End of Year	1,029	1,147	1,190	1,295
2. Handled in Branches				
a. Pending Beginning of Year	1,539	1,568	1,146	1,659
b. Received During Year	1,097	1,264	1,663	1,754
c. Terminated During Year	1,068	1,686	1,150	1,330
d. Pending End of Year	1,568	1,146	1,659	2,083
3. Received and Referred to U.S. Attorneys	1,225	1,173	1,169	1,157
Direct Dollars at Issue (Million)	$46,558	$52,651	$53,641	$55,019

Skinner v. Railway Labor Executives' Association; National Treasury Employees Union v. Von Raab. Both cases, decided together by the Supreme Court, deal with the constitutionality of drug testing. In *Skinner*, by a 7-2 vote, the Supreme Court reversed a Ninth Circuit decision and held constitutional a Federal Railroad Administration regulation that requires railroads to perform drug tests on railway crew members after certain accidents or safety violations. In the latter case, the Supreme Court, by a 5-4 vote, affirmed in part and vacated in part the Fifth Circuit decision which upheld the drug testing program of the Customs Service against a Fourth Amendment challenge. The Court upheld the program insofar as it tested employees who apply for promotion to positions directly involving the interdiction of illegal drugs or to positions which require the carrying of firearms; it remanded for further proceedings concerning the testing of employees who seek promotion to positions where they would handle classified information. Numerous other cases pending in the courts of appeals involving drug testing -- particularly random drug testing programs, which were not directly at issue in *Skinner* and *Von Raab* -- are now being brought to largely favorable dispositions in light of these Supreme Court decisions.

Independent U.S. Tanker Owners Committee v. Skinner. The Merchant Marine Act authorizes the Secretary of Transportation to provide construction differential subsidies to vessels, but the vessels that receive subsidies may not, except in certain narrow circumstances, operate domestically. The current dispute concerns the Independent U.S. Tanker Owners' challenge to the promulgation of a 1987 rule reaffirming the propriety of accepting subsidy repayments of more than $100 million from certain vessels in return for allowing domestic operations. The district court struck down the rule, and we appealed to the D.C. Circuit. The court of appeals reversed, thereby saving the taxpayers approximately $150 million.

Dukakis v. U.S. Dept. of Defense; Perpich v. U.S. Dept. of Defense. The Montgomery Amendment provides that State Governors cannot withhold their consent to a two-week overseas training assignment of National Guard units based upon objections to the location or purpose of the training. Two separate actions challenged the constitutionality of the Amendment. In the former case, the district court upheld the Amendment as consistent with the Army and Necessary and Proper Clauses of the Constitution, accepting our argument that members of a state National Guard unit were ordered to duty in their Federal, not State, capacity. The First Circuit affirmed the district court's decision. In the latter case, a panel of the Eighth Circuit held the Amendment unconstitutional. Granting our petition for rehearing en banc, the full court of appeals ruled 7-2 that the Montgomery Amendment is valid, accepting our position that, "Congress' army power is plenary and exclusive." We recently filed a brief in opposition to certiorari.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Appellate Activity	67	81	$6,561	74	84	$6,797	7	3	$236

The gravity of the Savings and Loan crisis prompted the development of far-reaching banking institution reform legislation. The Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) was enacted to increase accountability of financial institutions. The new policy to retrieve losses, prevent future fraud practices and safeguard the viability of this industry must be upheld. Without 7 additional positions (4 attorneys, 1 paralegal and 3 support staff), 3 workyears and $236,000 this vital bipartisan effort could flounder.

While estimates of the current pending caseload of the key financial institution regulatory agencies vary, they range as high as 27,000 cases for the Federal Deposit Insurance Corporation alone. These cases are currently being handled by private counsel paid by these agencies to represent their interests at a higher cost than if the Government were to litigate them. Until now, the Attorney General's involvement in banking cases has been limited. The Civil Division is currently handling over 100 cases. These cases include tort actions alleging tort damages arising from the regulatory agencies' actions in closing a bank; cases concerning the validity of regulations issued by the agencies; litigation protecting the financial interests of the Government as mortgagee; and, appellate litigation arising from appeals of these trial court actions. In this regard, the Appellate Staff has amassed considerable expertise in litigation concerning regulation of the banking industry and enforcement of the banking laws. Most notably in cases involving the Comptroller of the Currency, the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation, its leadership is well-established.

Where major Government interests are concerned, expanded Departmental involvement in Savings and Loan litigation is desirable. The Civil Division intends to continue asserting the Government's interest in the areas of banking litigation it has traditionally handled. In addition, with adequate resources the Civil Division will take on lead cases involving: restructuring of financial institutions; collections activities; enforcement of new civil penalty provisions; and, challenges to agency orders removing from office savings and loan officials who have engaged in illegal activities. Because civil penalty provisions increase penalties, litigation will be generated to both enforce and defend such assessments. The Division will personally handle only the most complex, policy-sensitive litigation. During 1990 we anticipate handling 240 cases at the trial stage. Given the enormous stakes in these cases, decisions favorable to the Government will be challenged, and we expect the Appellate Staff to handle the majority of these critical appeals by 1991.

This increase cannot be absorbed within the existing staff. A unified, effective approach to upholding this initiative necessitates an infusion of resources for the Appellate Staff.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Torts Litigation...........	210	209	$31,091	210	211	$31,884	216	214	$32,291	6	3	$407

Long-range Goal: To protect the U.S. Treasury by successfully defending against unwarranted claims, preventing excessive losses from meritorious claims and maximizing the monetary recovery for injury and damages to Government property.

Major Objectives:

To prevail in the defense of tort actions brought against the Government, its agencies and individual Federal employees.

To initiate and prevail in affirmative actions when the Government has sustained injury or expended resources on behalf of another party.

Base Program Description: The Torts Branch serves as guardian of the public fisc, defending the Government where plaintiffs seek monetary damages for alleged neglect or wrongful conduct and initiating actions to recover injury and damages to Government property. The monetary implications of this caseload are staggering, with claims in 1989 exceeding $84 billion. The upward trend will persist, with dollars at issue reaching $108 billion by 1991. The lion's share of these suits is defensive and, therefore, non-discretionary. Despite the fact that the Branch has little control over the number and size of incoming suits, our attorneys perform remarkably well, holding adverse judgments to less than one percent of amounts claimed.

In many of the suits, the Government s involvement in the event precipitating the tort action is elusive, at best. The most common of these types of claims involve aviation disasters such as the Detroit Northwest plane crash or environmental accidents such as the Exxon Valdez oil spill. These suits are unpredictable and, without warning, the Government can be pulled into resource-devouring litigation involving hundreds of plaintiffs and massive discovery requirements.

The Torts Branch also represents and defends Federal employees sued personally for money damages as a result of official conduct. The growth in these cases is attributable to an increasing number of constitutional tort (Bivens) suits against Federal employees, particularly those in the Federal law enforcement and intelligence communities.

Other litigation involves the actions of Federal agencies directly. In these cases, individuals seek to recover damages for alleged injuries caused by agency actions. These cases include numerous radiation and toxic substance claims involving Government or Government contractor activities. Discovery tends to span decades — including events that reach back as far as World War II. The litigation's subject matter is highly scientific and arcane and document collections are voluminous. A growing number of our suits involves financial institutions suing regulatory agencies for actions taken to restructure and shore up the Nation's Saving and Loan industry.

The Torts Branch is also responsible for representing the Government's interests in litigation arising from the National Childhood Vaccine Injury Act of 1986, as amended,— a program of no-fault compensation adjudicated through the United States Claims Court and appealable to the United States Court of Appeals for the Federal Circuit. The 1990 budget, recently enacted, grants the Civil Division $1 million from the Vaccine's Trust Fund to utilize for this litigation during the remainder of the current fiscal year. This will be used to staff these cases and provide AIS for document control and case tracking.

Workload and Accomplishments: The workload of Torts Litigation is presented in the following table:

Torts Litigation			Estimates	
	1988	1989	1990	1991
1. Personally Handled				
a. Pending Beginning of Year	4,781	5,111	5,236	5,529
b. Received During Year	1,135	1,114	1,527	1,253
c. Terminated During Year	805	989	1,234	1,221
d. Pending End of Year	5,111	5,236	5,529	5,561
e. Dollars at Issue (Million)	$68,152	$84,873	$95,970	$108,553
2. Received and Referred to U.S. Attorneys	3,289	3,220	3,253	3,282

Aviation and Admiralty Litigation. The past year has witnessed intensive activities in several major air carrier crash cases. The Government was totally exonerated from approximately $200 million in liability in the Delta 191/DFW trial, which concluded in May 1969. The second of four planned trials in the World Airways/Boston runway overshoot case was settled recently with the U.S. paying only $7 million instead of the more than $60 million sought by our co-defendants. The FAA was held not liable for the Continental/Denver DC-9 takeoff crash. The cases filed against the Navy arising out of the Iran Air shoot-down in the Persian Gulf were dismissed. In the Pan Am 103/Lockerbie litigation, our motions to dismiss the U.S., former Secretary of State George Schultz and two U.S. ambassadors resulted in the voluntary dismissal of actions filed on behalf of two passengers. Our admiralty specialists recovered over $10 million in admiralty ship mortgage foreclosure cases and over $750,000 for the loss or damage to Government property.

Federal Torts Claims Act (FTCA) Litigation. In the aftermath of the failure of a bank or thrift institution, claims sometimes arise in the context of third-party suits against the United States after the regulatory agency sues the directors, officers and/or controlling shareholders of the defunct financial institution. In FSLIC v. Smith, the third-party plaintiff claimed that he was fraudulently forced to sign a note to purchase stock in an institution on the verge of collapse and that FSLIC was involved in the day-to-day operations of the institution. The third-party plaintiff argued that FSLIC had assumed a duty to purchase the stock to assure that the sales would comply with securities laws. The court dismissed the suit on the ground that the third-party plaintiff had failed to comply with the mandatory requirements of the FTCA. Similarly, we prevailed in a suit questioning whether the FTCA's requirements are applicable in bankruptcy proceedings (Anderson v. FDIC).

Asbestos Litigation. In the past year, the Branch defeated three major attempts by asbestos manufacturers to challenge rulings favorable to the Government. The Supreme Court denied review of the Federal Circuit's affirmance of the district court's dismissal of all third-party tort and contract claims arising out of injuries to employees of a public shipyard. The Supreme Court also denied review of the Federal Circuit's ruling that all of Johns-Manville's Claims Court complaints arising out of public and private shipyards must be dismissed and of the Third Circuit's holding that third-party tort actions arising out of injuries to Federal shipyard workers based on "dual capacity vessel owner" responsibilities must be dismissed as a matter of law. At the appellate level, the Fifth Circuit affirmed the dismissal of suits based on alleged injuries to longshoremen who offloaded asbestos destined for GSA strategic stockpiles. Voluntary dismissals were secured of third-party suits brought by companies in Ohio, arising out of asbestos-related injuries to Great Lakes seamen. At the trial level, the Branch secured dismissal of omnibus tort suits in the District of Columbia brought by two asbestos product manufacturers to the extent those suits were premised on tort payments made to public shipyard employees. In the largest monetary victory yet in the asbestos litigation, the Branch secured dismissal of all Claims Court complaints brought by six asbestos product manufacturers. In those cases, the manufacturers sought in excess of $9.3 billion from the United States. The Branch filed a motion to dismiss the remaining asbestos litigant in the Claims Court.

Toxic Tort Litigation. The Branch is defending an increasing number of complex toxic tort cases stemming from activities of military installations and defense contractors. The Court recently granted a motion for summary judgment in Barratt v. United States, in which more than 120 plaintiffs alleged personal injuries and property damage arising from alleged groundwater contamination as a result of operations at the Cornhusker Army Ammunition Plant, a Government-owned, contractor-operator munitions facility. The Branch successfully defended Thompson v. United States, a two week trial in which plaintiffs alleged personal injuries resulting from improper storage and removal of zinc-phosphide treated oats, and Starrett v. United States, a three-week trial in which plaintiffs alleged personal injuries and property damage as a result of groundwater contamination from ordnance demilitarization operations at the Bangor Naval Submarine Base.

Automation Litigation Support (ALS) Accomplishments. In 1989, the Division's ALS program played an instrumental part in the successes of the largest and most complex Torts Branch cases. In the massive nationwide asbestos litigation, the Division's computerized support system played a critical role in obtaining the largest single monetary victory in the history of the Division — a dismissal of $9.3 billion in claims brought by six asbestos industry leaders in the Claims Court. ALS was also pivotal to the Government's successful defense in the Delta aviation disaster case (the longest aviation trial in history), which saved the taxpayers $200 million. ALS provided a variety of pre-trial and trial databases as well as a large trial support team available throughout the proceeding on a flexible schedule.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Torts Litigation	210	211	$31,884	216	214	$32,291	6	3	$407

In the wake of a growing number of bank failures, a steep rise in suits against the United States is anticipated. Frequently, the officers of a failed bank seek damages against the United States on the grounds that regulatory agencies carry responsibility for the actions of bank officers. As banks become more desperate, their attempts to thwart the Administration's enforcement efforts will intensify. Monetary stakes are significant and growing. Already this year, the Branch is handling cases in which $1.2 billion is at stake, and receipts will continue upward as more banks fail. A program increase of 6 positions (3 attorneys, 1 paralegal and 2 support staff), 3 workyears and $407,000 is required to defend these cases. Of this increase, $200,000 is for Automated Litigation Support (ALS) services.

The policy implications of bank litigation cases are immense. In terms of determining the discretionary function of bank regulators, these cases are crucial. Many of the defensive cases addressed by the Torts Branch are the outgrowth of affirmative law enforcement suits filed on behalf of the Federal Deposit Insurance Corporation (FDIC), Federal Savings and Loan Insurance Corporation (FSLIC), now the Savings Association Insurance Fund, or other bank regulators. In response, former officers, directors and controlling stockholders of failed banks or thrifts who allegedly committed fraudulent practices have initiated tort claims against the United States or the bank regulators. One case now on appeal, Gaubert v. United States, challenges a host of regulatory activities leading to the plaintiff's removal as a controlling influence in Savings and Loan institutions. The court decision will have broad implications for the ability of bank regulators to take a direct hand in banking affairs prior to closing an institution.

Both this Administration and the Congress have taken a stand to mend the ailing Savings and Loan industry. With the enactment of Savings and Loan legislation, an upsurge of regulatory and enforcement action is a certainty. The intention is to hold institutions accountable for their fraudulent activities. To the extent that the institution can counter these efforts through unmeritorious claims and escape its legitimate responsibilities, the entire policy will be undermined. By 1991, the caseload is expected to increase to over 100 complex and labor-intensive cases — topping the 1989 caseload by 41 percent. Without an infusion of resources, the Branch cannot possibly absorb this additional work and successfully uphold this crucial legislation.

In addition to staffing increases, $200,000 is needed for ALS. Due to the nature of banking litigation, document production and the number of depositions are voluminous and require computerized access to transcripts to obtain factual support for legal arguments and for cross-examination at trials. Successful conclusion of these cases hinges on the availability of specially designed information gathering and retrieval capabilities available through ALS.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Commercial Litigation......	277	266	$29,660	277	268	$30,660	330	295	$33,800	53	27	$3,140

Long-range Goal: To protect the financial interests of the United States through the recovery and collection of monies owed the Government and through the assertion of the Government's commercial interests in defensive litigation.

Major Objectives:

To save the Government money by winning lawsuits and obtaining favorable settlements of contract, intellectual property, international trade and Government employment litigation brought against the United States.

To collect money owed the United States as a result of defaulted contracts, unpaid loans, unsatisfied judgments, breach of grant agreements and misuse of benefit programs.

To recover funds lost through fraud and corruption in Government programs and throughout the Savings and Loan industry and to deter future losses by collecting the statutory penalties allowed for such violations.

To defend Government policies and programs challenged in litigation involving money damages.

Base Program Description: Charged with protecting the financial interests of the United States, the Commercial Litigation Branch defends actions seeking money judgments against the United States and initiates civil action to collect money owed the United States as a result of various commercial and statutory activities. The Branch also conducts litigation arising from fraud, bribery and official misconduct such as that uncovered in the Savings and Loan industry; the collection of civil fines and loan defaults; and challenges to Government personnel actions.

The Branch's caseload is largely defensive. Contracts cases in Claims Court and the District Courts are increasing as are the Branch's responsibilities in the Federal Circuit Court of Appeals (CAFC). CAFC cases, in particular, are expected to rise sharply due to recent enactment of the Veterans' Judicial Review Act. Dollars defended are massive -- projected to reach $12 billion by 1991. Despite its growing defensive responsibilities, the Branch has devoted increasing resources to affirmative litigation. Bankruptcy and loan default cases involve numerous Government entities that have significant monetary exposure. Efforts to recover money lost through fraud, waste and abuse in Government programs have intensified substantially with the enactment of major anti-fraud statutes and stepped-up efforts to target and punish procurement fraud. Savings and Loan fraud cases will balloon under the new initiatives to enforce banking regulations. The Branch will seek recovery of more than $18 billion in 1991.

Workload and Accomplishments: The workload of Commercial Litigation is presented in the following table:

Commercial Litigation			Estimates	
	1988	1989	1990	1991
1. Personally Handled				
a. Pending Beginning of Year	4,345	5,044	4,489	5,614
b. Received During Year	2,027	2,132	2,795	2,957
c. Terminated During Year	1,328	2,687	1,670	1,961
d. Pending End of Year	5,044	4,489	5,614	6,610
e. Dollars at Issue (Million)	$24,199	$25,992	$28,482	$30,370
2. Personally Handled - Pending Court of International Trade	6,391	4,542	4,248	4,137
3. Received and Referred to U.S. Attorneys	9,063	6,453	5,942	5,241

General Commercial Litigation. The Branch is handling significant litigation in bankruptcy courts, district courts and courts of appeals arising out of the Government's interests in the energy, maritime, steel and utility industries. In *United States v. Panhandle Eastern Corp.*, Branch attorneys also represented the Maritime Administration in proceedings involving guaranteed ship financing bonds; the judgment they obtained was affirmed by the court of appeals, and Panhandle paid $146 million in satisfaction. In the utilities field, Branch representation of the Rural Electrification Administration (REA) has expanded to nearly $9 billion in defaulted loans to rural cooperatives made or guaranteed by REA; Branch attorneys negotiated the successful restructuring of over $3 billion of these loans, thereby avoiding bankruptcies and maximizing REA's return.

Fraud Litigation. In 1989, $276 million was obtained in fraud judgments and settlements, an increase of more than 20 percent over last year. Department of Defense (DOD) procurement fraud continues to constitute the largest portion of the Fraud Unit's caseload, particularly cases involving defective pricing and cost-mischarging. $170 million was recovered in 1989 for DOD fraud, with an additional $30 million recovered in DOD cases in the first two months of 1990. In addition, over 165 matters are pending as a result of the DOD program that encourages defense contractors to make disclosures of their own fraud, and the 1986 Amendments to the False Claims Act which authorize private citizen suits on behalf of the Government.

Foreign Litigation. In In re Japanese Construction Contract Fraud, the Branch investigated possible remedies under Japanese law arising out of an order of the Japan Fair Trade Commission concerning bid-rigging on construction projects in Japan funded for the U.S. Naval base in Yokosuka, Japan. As a result, the United States recently entered into a memorandum of intent to accept over $31 million from 99 Japanese companies in partial settlement of the bid-rigging case. This is the largest recovery ever in foreign litigation for the Government.

International Trade Litigation. In U.S. v. Daewoo Corp., a customs fraud case, Branch attorneys reached a settlement under which the defendants will pay $34 million to the United States, the largest penalty ever paid in a customs fraud case. During 1980-1982, Daewoo engaged in a deliberate scheme concealing the true low prices of its steel products by declaring false prices to the Customs Service, thus evading anti-dumping investigations and the imposition of anti-dumping duties. In Nissan Motor Corp. v. United States, the Branch successfully argued that a complete automobile fabrication plant imported into a foreign trade zone was not entitled to duty-free treatment simply because it was imported into a foreign trade zone. The Government thus retained over $3 million in assessed duties and established a very important precedent.

Claims Court/Federal Circuit Litigation. In Hughes Advanced Systems Company, a team of Commercial Litigation Branch attorneys successfully defended the award of a multi-billion dollar contract to modernize the nation's air traffic control system. Had the Government failed to prevail in this case, the award of the contract would have been stalled for some years creating air traffic delays and, possibly, jeopardizing air traffic safety.

Automated Litigation Support Accomplishments. ALS has been critical to the management of major customs and contracts cases. In Daewoo, a data base of over 30,000 key documents confirmed the pricing violations occurrences through analysis of transactions, strengthening the Government's assertions in this case and enabling the record settlement. In Doyle v. U.S., an overtime pay dispute with potentially $500 million at stake, a data base has been established to manage up to 25,000 claimants. The data base has been useful in exposing instances in which opposing counsel has filed new consent forms naming individuals who had already filed.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Commercial Litigation	277	268	$30,660	330	295	$33,800	53	27	$3,140

As the leading force in protecting the Government's financial interests, the Branch must implement recent Congressional enactments and help put the Savings and Loan industry back on solid footing. To meet these responsibilities, a program increase of 53 positions (33 attorneys, 4 paralegals and 16 secretaries), 27 workyears and $3,140,000 is necessary. Of this increase, $1,127,000 is for Automated Litigation Support services.

Veterans' Judicial Review Act: The enactment of the Veterans' Judicial Review Act repealed statutory limitations on judicial review of the Department of Veterans' Affairs regulations. In the past, veterans have been barred from appealing their benefits eligibility decisions beyond the Board of Veterans' Appeals. In addition, veterans were barred from paying attorney fees for appeals to the Board of Veterans Appeals in excess of $25, a factor which limited the number of cases filed. The Veterans' Judicial Review Act has radically changed both these provisions and is expected to open a floodgate of litigation. An increase of 12 positions, 6 workyears and $485,000 is required to adequately litigate these cases.

The bill establishes a three-tiered structure for review of a denial of benefits. A veteran who is denied benefits by the Department of Veterans' Affairs (VA) may appeal the denial to a Board of Veterans' Appeals (BVA). If dissatisfied with the BVA's decision, the veteran may appeal to the newly established Court of Veterans' Appeals. If either party, the veteran or the VA, is dissatisfied with a decision of that court, the dissatisfied party may appeal to the Court of Appeals for the Federal Circuit. It provides that the VA is to be represented before the Court of Veterans' Appeals by its office of General Counsel. The Act further stipulates that the VA will be represented in the Federal Circuit by the Department of Justice. The Civil Division represents the Government's interest in civil matters before this court.

Each year approximately 26,000 cases are filed in the BVA. There is currently a pending caseload of 46,000 cases at the Board which could be appealed. The law encourages appeals by eliminating the prior ceiling on attorneys' fees and allowing for reasonable fees to be paid to attorneys representing veterans who appeal. Moreover, the availability of judicial review may prompt a large number of potential claimants to reassert claims which had been denied previously at the Board level. In addition, the bill grants exclusive jurisdiction to the Federal Circuit to entertain challenges to regulations of the VA pursuant to the Administrative Procedures Act. The new provisions will result in the need for the VA to promulgate comprehensive new regulations. The large number of interested beneficiaries and the existence of active advocacy groups are likely to result in a significant number of challenges brought against these regulations. It is therefore anticipated that a substantial number of cases will be filed in the Federal Circuit.

These are high-stakes, resource-intensive cases. While the facts of the case are not subject to judicial review, litigation will focus on the application of the rules and regulations and the legality or constitutionality of those regulations. As a result, these cases will require a significant devotion of attorney time to research and develop the cases. As these cases will be at the appeal stage, the precedential impact of an individual case loss is far more substantial than at the district court level. The determinations on benefits made by the Federal Circuit will have tremendous implications for the U.S. Treasury. Since these cases cannot be delegated, the only option for handling them is to delegate cases in other litigative areas.

Bank Litigation: The need to resolve the Savings and Loan Crisis and restore confidence in the nation's financial institutions led to the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). This complicated legislation restructured the financial institutions and increased the accountability of the institutions' management. According to the Barnard Report, there are 357 insolvent financial institutions under criminal investigation and 3,340 pending FBI investigations involving losses in excess of $3 billion. Many of these current investigations may lead to complex civil fraud litigation. In addition, liquidation of financial institutions will trigger numerous high-stakes lawsuits. At present, such cases are handled by private counsel hired by the banking agencies at a rate of $150 per hour — far in excess of what the Government pays. Central control of this litigation is essential to ensure the protection of the Government's interests. Resources are needed to enable the Branch to take over lead cases and ensure central control over this litigation. This will translate into a 24 percent increase in receipts between 1990 and 1991 which cannot be absorbed with existing resources. To litigate these cases successfully, 30 positions, 15 workyears and $1,731,000 are required. Of this increase, $650,000 is required for Automated Litigation Support services.

Collection activities will have to be undertaken for the assumed loans and other financial obligations purchased by the regulatory agencies as part of the restructuring of the financial institutions. This is already an extensive area of litigation and, as more financial institutions are restructured, will become even more prominent. Painstaking investigation, requiring the expertise of financial analysts and counsel in foreign countries, will have to be undertaken to pursue assets of wrongdoers at or borrowers from financial institutions. A significant percentage of these collection activities will require personal involvement by Civil Division attorneys to resolve major policy and financial questions that have an impact on the U.S. Treasury.

Other cases will involve collections activities related to loans and other financial obligations purchased by the financial institutions, as well as guarantees made or assumed as part of the restructuring or liquidation of banks or Savings and Loans. Many of these will be complex takeovers, requiring special handling. Additional litigation arising out of the financial institutions' role as a holder or mortgagor will also arise. These cases are potentially very complicated, involving breaches of fiduciary obligations. In the event that bank officers file counter-claims against the regulating agency, litigation may increase in complexity.

Substantial fraud referrals are anticipated from heightened Savings and Loan enforcement activities. It is estimated that 25 to 30 percent of all failures in the savings industry are attributable to fraud; in 1988, fraud accounted for an estimated $2 billion in losses. FIRREA includes resources for criminal investigators to detect savings and loan fraud for criminal prosecution. As a result, an increase in cases involving civil penalties is inevitable. These resource-intensive cases cannot be handled within existing resources.

The Branch requires an AIS increase of $650,000 to bring these cases to a successful conclusion. The extensive document discovery and detailed research into the financial transactions, correspondence and records of the financial institutions involved necessitate the use of AIS to provide the organization and analysis needed to process this breadth of information. With billions of dollars at stake, adequate preparation for these cases — including organizing research materials assembled by our client agencies — is imperative.

Medicare: The Department of Health and Human Services, Health Care Financing Administration (HCFA) will be making a concerted effort to recover over $10 billion owed by major insurance companies due to erroneous overpayments in the Medicare program. To secure the Government's funds, the Commercial Branch requires a program increase of 11 positions, 6 workyears and $924,000. Of this increase, $477,000 is for AIS services.

In 1982, the Congress passed legislation requiring that employer plans, rather than Medicare, be the primary source of payment for medical care for employed individuals ("working aged"). The HCFA presently has over 100 cases seeking to recover Medicare overpayments for medical care to individuals whose medical expenses should have been paid under employer group health plans. HCFA alleges that major insurers — Blue Cross/Blue Shield, Travelers, Aetna — were aware of the change in the law but deliberately circumvented it by letting Medicare pay as the primary insurer. Often, the insurance company refused to process claims from the working aged without proof of a Medicare payment.

The Division has received referrals from the HCFA and has filed suit in three cases to date. As the HCFA continues to gather evidence and send referrals to the Division, much work will be required to initiate the cases and ultimately recover the defrauded funds. These will be exceptionally complex cases. In addition to the need to establish the extent of each insurance company's liability, proving damages will require enormous effort because millions of claims are at issue in each case, and all the information necessary to establish the amount due is in the control of the insurance companies. The ability to bring and prevail in these cases is dependent on adequate resources. Without the requested program increase, HCFA's efforts to regain these funds will be for naught, and the Treasury will suffer enormous losses.

A program increase of $477,000 for AIS is also required to screen and organize the millions of claims involved in this document-intensive litigation. Paralegal support will be needed to assist attorneys in reviewing the thousands of insurance forms and other related material these cases will involve. AIS services are essential during the discovery process because all of the documentation necessary to establish damages is in the control of our opponents. Without AIS, Civil Division attorneys will waste valuable time thumbing through scores of claims and other documents instead of preparing for litigation. Our opponents are well-financed insurance firms who have state-of-the-art litigation support. To prevail against them, our attorneys require these vital services.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Programs...........	151	140	$12,462	151	140	$12,940	181	154	$14,524	30	14	$1,584

Long-range Goal: To successfully defend against challenges to Federal civil programs, policies and initiatives and to enforce remedies for statutory violations of Federal programs.

Major Objectives:

To prevail on behalf of the United States in civil litigation in defense of the programs, policies, initiatives and decisions of the President, Executive Branch agencies and officials of the Legislative and Judicial Branches.

To initiate and prevail in affirmative litigation aimed at remedying statutory and regulatory violations.

To increase the accountability of financial institutions by aggressively pursuing regulatory enforcement actions.

Base Program Description: The programs and policies of the Federal government have a pervasive effect on the public. It is not surprising that as society has become increasingly litigious, the public is turning to the courts to influence Federal programs and policies. The Branch must vigorously defend against legal challenges to a growing number of vital Government policies and programs to ensure they are not stymied through the judicial process.

Given the vast array of Government activities spanning some 185 agencies, Members of Congress, the Federal judiciary, Cabinet members and other Federal executives, officers and employees, this litigation is broad and diverse. Much of our litigation involves entitlements programs. This litigation has potentially massive impacts on the Federal Treasury. Judicial decisions, such as the recent Agent Orange ruling, can entitle plaintiffs to Federal benefits costing millions of dollars over the life of the program. Other litigation is crucial to the support of major Government policies and initiatives. The Branch, steeped in litigation challenging agency drug testing programs, has a central role in promoting a drug-free Federal workplace. The Branch also plays an important role in regulatory enforcement efforts. Such enforcement litigation is of growing importance, particularly as the Government seeks to solve the Savings and Loan crisis and restore confidence in the nation's financial institutions.

Workload and Accomplishments: The workload of Federal Programs is presented in the following table:

Federal Programs Litigation			*Estimates*	
	1988	1989	1990	1991
1. Personally Handled				
a. Pending Beginning of Year	931	966	991	1,080
b. Received During Year	281	340	374	453
c. Terminated During Year	246	315	285	300
d. Pending End of Year	966	991	1,080	1,233
e. Dollars at Issue (Million)	$1,467	$1,592	$1,773	$1,996
2. Received and Referred to U.S. Attorneys	2,842	2,539	2,540	2,463

Drug Testing Litigation. The Federal Programs Branch represents the Government and its officers in cases of national importance involving significant constitutional and statutory challenges. For example, in support of the Nation's efforts to combat illegal drug use, the Branch is defending over 50 cases challenging, on Fourth Amendment and other constitutional and statutory grounds, civilian drug testing programs for Federal employees holding sensitive positions and private employees holding sensitive positions in the transportation industry. Among the agencies whose drug testing programs have been challenged in court are the Department of Defense, the Department of Justice, the Executive Office of the President, the Department of Transportation, the Customs Service and the Secret Service. In addition, the Transportation Department's program requiring private employers in the transportation industry to screen their safety-sensitive employees for drug use has been subjected to challenges from all sectors of the transportation industry. The Branch has recently achieved substantial victories in upholding drug testing regulations governing employees of urban mass transit systems and merchant mariners.

Separation of Powers. The Branch has been active in a number of suits involving separation of powers principles. For example, in *People of the State of Illinois v. Cheney* and *National Federation of Federal Employees v. Department of Defense* it is defending against challenges to the constitutionality of the Base Closure and Realignment Act on separation of powers and unlawful delegation grounds. In *Burton v. Baker* it successfully defended in district court a suit brought by four congressmen seeking to enjoin President Bush's arrangement not to obligate Contra aid funds without the agreement of four committee chairmen, claiming it amounts to an unconstitutional legislative veto.

1990 Census. As with the 1980 Census, numerous suits are expected challenging various aspects of the Census Bureau's plans to conduct the 1990 population count. Among the areas of dispute are questions of statistical adjustments for undercounts in certain areas, of military personnel and others stationed overseas and of inclusion of undocumented aliens in the United States. The Branch has already successfully defended *Ridge v.*

Verity involving the "illegal alien" issue. A result of an interim settlement reached in City of New York v. Department of Commerce, the issue of whether to statistically adjust will be reexamined after the census is taken. Both issues are extremely important because of their potential effect on the apportionment of Congressional seats. As the census draws nearer, additional suits are anticipated.

Temporary Ban on Import of Assault Weapons. The Branch successfully resisted efforts by importers of semi-automatic assault rifles to overturn the President's March 1989 decision to suspend temporarily the import of such weapons pending a study by the Bureau of Alcohol, Tobacco and Firearms (ATF) of their suitability for sporting purposes under 18 U.S.C. Section 925. In Gun South, Inc. v. Brady, the Eleventh Circuit Court of Appeals overturned a district court decision invalidating the ban, finding that the temporary suspension was a reasonable response to the proliferation of imported assault rifles (applications to import more than 750,000 rifles were pending at the time of the ban) and their growing use in criminal activities. Two district courts also denied requests for preliminary injunctions to overturn the suspension order. ATF has now found that 42 of the 50 weapons temporarily banned from import, including the AK-47 and the Steyr AUG-SA at issue in the cases, should be permanently barred from entry into the United States because they are not particularly suited for or readily adaptable to sporting purposes. The Branch was successful in getting the plaintiff to dismiss Gun South and to seek to import only under the exception for sales to law enforcement agencies.

Automated Litigation Support (ALS) Accomplishments. The capabilities provided by ALS were instrumental in obtaining a settlement favorable to the United States in Santos v. the United States. In the Santos action, the plaintiffs alleged monetary losses and emotional injuries as a result of the flood suffered by the town of Alviso, California, after heavy rains caused a dam and nearby river to overflow. The United States intervened on behalf of the Federal Emergency Management Agency (FEMA), seeking to recover the insurance payments from the City of San Jose and the Santa Clara Valley Water District, among others, alleging they were responsible for the flooding. 50,000 pages of evidentiary documents were microfilmed, coded and loaded to the data base. In addition, 55 depositions — more than 100,000 thousand pages of transcripts — were digested. ALS enabled the United States to match the organizational resources applied by the defendants and force them into a more reasonable settlement posture. One million of the $1.5 million in claims FEMA had paid out was recovered pursuant to the settlement.

Program Changes:	1991 Base Perm. Pos.	 WY	 Amount	1991 Estimate Perm. Pos.	 WY	 Amount	Increase/Decrease Perm. Pos.	 WY	 Amount
Federal Programs.............................	151	140	$12,940	181	154	$14,524	30	14	$1,584

To meet the expected rise in litigation resulting from the troubled savings and loan industry and implementation of new policies in key Governmental programs, the Federal Programs Branch requires an increase of 30 positions (19 attorneys, 3 paralegals and 8 support staff), 15 workyears, and $1,584,000. Of this amount, 450,000 is for Automated Litigation Support.

Savings and Loan Litigation: As a result of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 signed by the President recently, we expect increased regulatory enforcement actions involving financial institutions to enforce administrative orders and for civil penalties. The new legislation authorizes the Attorney General to bring actions to recover civil penalties for violation of numerous criminal statutes. This authority is expected to enhance enforcement by providing a civil remedy in those cases involving serious violations that might not be suitable for criminal prosecution. The legislation also gives the Attorney General administrative summons authority for such cases and authorizes the disclosure of grand jury information to Civil Division attorneys for the new civil penalty cases. A threefold increase in Federal Programs bank litigation receipts is expected from 1988 to 1991. Potentially billions of dollars are at stake. Central control over this litigation is essential to successfully guide reform efforts. These cases will involve highly-complex legal issues and fact-intensive investigations that cannot be absorbed by existing staff. To meet this mandate, 17 additional positions, 8 workyears and $1,045,000 are essential. Of this increase, $450,000 is for ALS services.

In addition to an increase in affirmative litigation, it is expected that the number of defensive suits involving financial institutions will increase greatly as a result of the legislation. The first cases challenging the statute are already being defended. As regulators implement stricter controls embodied in the new law, including closing insolvent and faltering institutions in dire financial circumstances, Constitutional challenges to the new law and its implementing procedures will intensify. To implement the stronger regulations and penalties, it is imperative that sufficient funding be provided for legal resources to uphold and assert the regulations. Without additional staff, efforts to solve the Savings and Loan crisis will falter.

A program increase of $450,000 for ALS services is also required. These services will be required to organize effective discovery of documents and extensive data base systems for the onslaught of Savings and Loan cases. The full gamut of litigation support will be required including microfilming, document coding and document data bases to control the huge number of documents that will be produced. Mastery of this information will be critical to establishing incontrovertible proof of violations and gaining favorable action on civil penalties to deter future violations.

Other Policy Sensitive Litigation: The Branch expects substantial new litigation involving highly visible policy areas of Housing, the Census, Drug Testing and Health and Old Age Care. Due to significant new legislation and program reforms in these areas, the Branch will not be able to successfully defend and enforce Federal policies without an additional 13 positions, 6 workyears and $539,000.

HUD Litigation. As part of the continuing initiative to rid public housing of drug related activities, the Secretary of HUD has determined that since state laws provide adequate due process, local public housing authorities may waive their administrative grievance procedures in cases of evictions involving drug matters. The initial case challenging this policy has been brought in Connecticut. Additional challenges are inevitable. Additional resource strains will come from attacks on a variety of fronts. Recent legislation concerning the statutory limitation on HUD's obligation to make retroactive payments for Section 8 rent increases has already resulted in cases; more are expected to be filed through 1991, including constitutional challenges. The Branch also anticipates increasing litigation over the restriction barring HUD-insured multi-family housing owners from prepaying their mortgages. Moreover, the Branch predicts growing numbers of cases involving the homeless, implicating HUD as the lead agency for confronting homelessness.

1990 Census. Over 50 suits were filed challenging the 1980 census and its results. The Branch expects a similarly large number of new cases to arise through 1991 objecting to various aspects of the 1990 Census. As with past censuses, actions by numerous jurisdictions and public interest groups challenging the accuracy of census results and procedures or claiming mismanagement are inevitable. Challenges to the expected July 15, 1991 Census Bureau decision whether to statistically adjust the census figures also loom ahead. Additionally, challenges to the methods utilized for counting overseas military and Federal employees are highly likely. Although the census will not be taken until April 1, 1990, the first cases were filed in 1988. Final census results will not be issued until almost a year after the census date. This creates a huge window of opportunity for attacking the census, running through at least 1991. Without additional staff, Federal Programs will not be able to properly fulfill its mandate to effectively defend census challenges.

Drug Testing. In previous litigation, the Branch established the value to society of workplace drug testing as a tool to combat drug use. Now it expects to face extensive litigation over drug testing issues. As more agencies are able to initiate programs, both with respect to their own and contractors' employees and with respect to heavily regulated areas of the private sector, there will be an increasing number of suits to determine the scope of testing. Also, there will be increasing litigation to establish the consequences of testing, both in terms of proof and procedures following a positive test, and the resultant disciplinary or rehabilitative actions. Growing public support of drug testing increases the likelihood of far-reaching congressional action. Only with increased resources will Federal Programs be able to successfully defend this crucial component of the war on drugs.

HHS Litigation. In the aftermath of substantial alterations to the Medicare payment system, the Branch expects increased litigation for the Health and Human Services Department. In the Medicare area, recent statutory changes designed to save the Government billions of dollars by mandating more uniform systems of reimbursement for physician and hospital services will engender vigorous litigation. Other Medicare and Medicaid program changes such as nursing home reform have already engendered much recent litigation by providers and public interest advocacy groups.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Consumer Litigation........	35	34	$2,928	35	39	$3,227	35	39	$3,227	...	...	...

Long-range Goal: To protect the interests of consumers from defective or harmful products and from unfair and deceptive trade practices.

Major Objectives:

To provide effective enforcement of Federal consumer protection statutes through institution of affirmative civil litigation.

To consider the prosecutorial merit of criminal matters under consumer protection statutes and initiate or assist in the conduct of appropriate criminal proceedings.

To represent the United States in defensive litigation when initiatives and programs of the principal consumer protection agencies are challenged.

Base Program Description: The Office of Consumer Litigation is responsible for litigation under Federal statutes that protect public health and safety and regulate unfair and deceptive trade practices in interstate commerce. The Office defends the programs, policies and decisions of the Government in consumer-related areas and enforces those policies by both civil and criminal sanctions in order to avert health risks to the public and deter economic fraud.

The Office initiates affirmative litigation to ensure that unsafe and adulterated foods and drugs do not reach the marketplace, protects the integrity of the drug approval process and enforces Federal policies in the regulation of foods. Referrals from the Food and Drug Administration (FDA), which necessitate the initiation of criminal prosecutions, constitute a major and growing focus of the Office's work. Once mostly relatively simple misdemeanor cases, FDA referrals now are largely felony prosecutions for diverse illegal activity.

Other litigation the Branch initiates covers hazardous and unsafe consumer products, unfair debt collection and consumer credit practices, franchising and door-to-door and mail order sales. The Office also seeks the enforcement of administrative orders relating to price-fixing and divestiture, unfair and deceptive advertising practices, and cigarette and automobile labeling. The Branch defends the Government in challenges to Federal policies and initiatives aimed at protecting the public in its purchases of foods, drugs, devices and consumer products.

Workload and Accomplishments: The workload of Consumer Litigation is presented in the following table:

Consumer Litigation			Estimates	
	1988	1989	1990	1991
1. Personally Handled				
a. Pending Beginning of Year	279	352	416	500
b. Received During Year	192	249	276	277
c. Terminated During Year	119	185	192	212
d. Pending End of Year	352	416	500	565
2. Received and Referred to U.S. Attorneys	177	202	246	291

FDA Litigation. The Office of Consumer Litigation continues to lead a nationwide crackdown on the black-market in illegal steroid drugs. Efforts of the Office have resulted in the successful prosecution of approximately 200 individuals, with numerous terms of imprisonment imposed and approximately $1.2 million in fines assessed. With the participation of the FBI, FDA, Postal Service and Customs Service, these efforts have resulted in the seizure of over $13 million in illegal steroids. The Office also continued its investigation into the smuggling and illegal distribution of unapproved bulk animal drugs for use in food-producing animals, resulting in the convictions of two companies and 17 individuals and seizure of more than 30 tons of adulterated and misbranded animal drugs. Additional highlights of Food, Drug, and Cosmetic Act enforcement action include guilty pleas by an official of a St. Louis drug firm and a corporate distributor to 17 violations involving E-Ferol, a drug linked to the deaths of 38 premature infants, concluding a major case. A Miami corporation pled guilty to 24 misdemeanors and one felony involving distribution of defective heart pacemakers and making false statements to FDA and paid a fine of $623,000. Also, the final phase of the Beech-Nut phony apple juice case was concluded when the former president of the corporation pled guilty to 10 felony violations of the Act, following an earlier plea by the corporation that resulted in payment of a $2 million fine.

Consumer Product Safety Commission (CPSC) Litigation. The Office successfully opposed an effort to prevent the CPSC from enforcing a 1988 congressional ban on distribution and use of butyl nitrite ("poppers") as an inhalant aphrodisiac. Litigation was also concluded against two manufacturers of playground equipment for failure to report defects causing serious injuries to a large number of children, resulting in consent decrees and payment of civil penalties. The Office also filed five injunctive actions against importers of hazardous fireworks seeking to require testing of the fireworks to assure compliance with the Federal Hazardous Substances Act.

Federal Trade Commission (FTC) Litigation. On behalf of the FTC, the Office pursued litigation against a major magazine subscription telemarketing firm and numerous affiliated regional dealers, charging them with millions of dollars of deceptive sales via telephone to hundreds of thousands of consumers throughout the country. The Office also obtained civil penalties and injunctive relief in a number of cases enforcing the FTC's Used Car, Home Insulation, Mail Order and Funeral Practices Rules, as well as the Equal Credit Opportunity Act.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Immigration Litigation.....	40	40	$4,233	40	48	$4,670	40	48	$4,670	...	...	...

Long-range Goal: To protect the interests of the United States by successfully defending challenges to Federal civil immigration programs, policies and initiatives, and conducting civil litigation under the immigration and naturalization laws.

Major Objectives:

To prevail in all civil immigration litigation arising under the Immigration and Nationality Act and related laws, including appellate litigation challenging trial court or administrative decisions in favor of the United States.

To enforce programs undertaken for the purpose of facilitating the apprehension, detention and expulsion of aliens who lack lawful authority to remain in the United States and to represent the United States in civil litigation brought against officers of the Immigration and Naturalization Service and other immigration-interested agencies in their official capacities.

Base Program Description: The Office of Immigration Litigation is responsible for handling a wide variety of immigration cases: individual challenges to enforcement programs and administrative decisions, class action attacks on statutes and procedures and suits directed against Government officials responsible for immigration enforcement. The Office of Immigration Litigation also defends petitions for review filed by individual aliens in the courts of appeals to challenge deportation orders, and actions brought by aliens in the district courts attacking the circumstances of their confinement and/or orders of exclusion from the United States. These cases have the potential for severely hampering the ability of the Immigration and Naturalization Service (INS) to enforce the laws enacted by Congress and for weakening the Government's ability to respond to the influx of illegal aliens. Such suits typically involve requests for temporary restraining orders and/or preliminary injunctions, extensive discovery and trial.

The Office is defending major class actions challenging the legalization provisions of the Immigration Reform and Control Act of 1986 (IRCA) — the most substantial overhaul of the American immigration law in 35 years — as well as procedures adopted by the INS to implement it. As aliens are denied legalization, the Office is now receiving a growing number of individual challenges to legalization determinations. To deter future illegal immigration, the Office will also bring affirmative employer sanctions cases as the INS moves from education to enforcement. Recent enactments, such as Title X of the Foreign Relations Act, strengthen existing statutes which permit the exclusion and deportation of aliens involved in acts of violence, and the Office is playing an increasingly critical role in efforts to bar or expel alien terrorists from the United States. In addition, the Office of Immigration Litigation is currently participating with INS in a joint review of Mariel detainees who are candidates for repatriation to Cuba. The determinations are expected to spawn new litigation because aliens who have been denied parole or ordered repatriated to Cuba likely will pursue all possible administrative and litigative remedies.

Workload and Accomplishments: The workload of the Office of Immigration Litigation is presented in the following table:

Immigration Litigation			Estimates	
	1988	1989	1990	1991
1. Personally Handled				
a. Pending Beginning of Year	406	339	379	435
b. Received During Year	371	497	540	512
c. Terminated During Year	438	457	484	481
d. Pending End of Year	339	379	435	466
2. Received and Referred to U.S. Attorneys	587	457	624	796

The Office directly handles the most complex and sensitive trial and appellate immigration matters, which frequently raise significant challenges to the Nation's ability to control its borders. Notable examples include:

Catholic Social Services v. Meese. This class action broadly challenges the procedures adopted by the Attorney General to implement the Immigration Reform and Control Act (IRCA) and seeks to limit the ability of the INS to regulate the entry and employment of any alien who might apply for benefits under the new act. After a successful interlocutory appeal reversing an injunction, the Office now confronts additional trial court challenges to continuing INS efforts to respond to the more than one million aliens who have applied for IRCA benefits. Here and in other pending IRCA class action suits (*e.g.*, *Ayuda v. Meese*), plaintiffs seek to expand the categories of aliens who may apply for legalization and to extend the statutory application period. In *Ayuda*, the Office on July 18, 1989, secured a major appellate victory concerning the courts' jurisdiction to review the agency's adjudication of claims for IRCA benefits.

Matter of M.A. As political turmoil and socioeconomic misfortune in Central America and elsewhere bring many thousands of aliens to the United States who cannot otherwise qualify as lawful immigrants, asylum and withholding of deportation cases continue to be a substantial and expanding area of litigation. Despite the guidance of the Supreme Court's decisions in *INS v. Stevic* and *INS v. Cardoza-Fonseca*, significant issues remain concerning the availability of refugee status and the appropriate role of the Federal courts in reviewing individual asylum determinations. *Matter of M.A.* is typical of the numerous cases involving important questions concerning the alien applicant's obligation to establish a well-founded fear of persecution.

Velasquez v. Still. With increased frequency, district court actions are brought to challenge the methods by which INS seeks to detect and apprehend aliens who have entered or remained in the United States without lawful authority. A number of such suits, such as this California class action challenging joint operations in which the INS supported the service of arrest and search warrants by state and city police, target the relationship between Federal and local law enforcement agencies in an effort to disrupt or discourage cooperative efforts in matters bearing upon aliens. In *Velasquez* and similar cases, the Office has successfully resisted the demands for injunctive orders restricting such cooperation.

Mester Manufacturing Co. v. INS. Employer sanctions are central to immigration reform, and *Mester* is the first sanctions case to reach the courts of appeals. The Ninth Circuit has upheld both the constitutionality of IRCA's sanctions and INS's enforcement efforts against the employer in question. Although most of INS's actions to enforce the statutory bar to unauthorized employment are resolved at the administrative level (with the payment of fines and subsequent compliance by cited employers), a growing number of cases are being brought to court.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration...........	104	104	$6,592	104	114	$7,312	104	114	$7,312	...	...	...

Long-range Goal: Direct the conduct and supervision of all litigation and other matters delegated by the Attorney General to the Civil Division in a fair, consistent, economical and successful manner.

Major Objectives:

To manage the Civil Division with executive leadership and planning while creating a proper balance between administrative oversight and attorney autonomy.

To implement management initiatives and productivity improvements, reduce costs, provide administrative and Automated Litigation Support services and effectively manage the Division's financial resources.

To secure, develop and retain a competent and motivated staff while maintaining a work environment conducive to effective litigation and maximum productivity.

To present to the Department legislative proposals to promote the efficiency and effectiveness of the civil justice system.

Base Program Description: As the "Government's lawyer," the Civil Division represents over 185 agencies in tens of thousands of cases which present a potential loss to the Treasury of more than $140 billion annually in direct awards, higher program costs or changes in anticipated revenue. Annually the Division handles thousands of court challenges to the statutory integrity of the numerous Federal programs established by the Congress as well as challenges to the domestic and foreign policies of the United States.

Workload and Accomplishments: The workload and accomplishments of the Management and Administration program are the sum of the workload and accomplishments of the Division's branches and offices.

Management and Administration			Estimates	
	1988	1989	1990	1991
1. Personally Handled				
a. Pending Beginning of Year	18,894	19,232	17,200	18,596
b. Received During Year	7,002	7,106	8,501	8,667
c. Terminated During Year*	6,664	9,138	7,105	7,396
d. Pending End of Year	19,232	17,200	18,596	19,867
e. Dollars at Issue (Million)	$140,376	$165,108	$179,866	$195,938
2. Received and Referred to U.S. Attorneys	17,183	14,044	13,774	13,230

* An intensive review of old case files in 1989 resulted in the termination of hundreds of cases which should have been closed in prior years. This "bubble" in terminations resulted in a dramatically lower pending count at the beginning of 1990, but did not signify a "real" reduction in work.

Accomplishments and Workload: Phenomenal success was achieved in 1989 — particularly with respect to efforts to protect the public fisc. The Division prevailed in the vast majority of defensive cases, saving the Treasury millions of dollars. In addition, awards and settlements were secured in a wide range of affirmative litigations including procurement fraud, bankruptcy, loan defaults, bribery and kickbacks, pollution cleanup and customs and loan fraud. Highlights of the 1989 litigative record reveal that total collections far exceeded adverse claims awarded, generating a substantial net yield to the U.S. Treasury.

- Affirmative Awards. The Division secured a phenomenal $521 million for the Government in court-imposed awards and negotiated settlements. This is 30 times larger than the comparable figure for 1981.

- Collections. Although many awards and settlements require long-term servicing, the Division collected in cash for the Treasury or its client agencies a record total of $362 million.

- Defense Against Monetary Claims. In cases defended by the Division, claimants sought a payout by the Government of more than $20 billion. Over 99 percent of these claims were defeated, and Government losses were held to less than $125 million.

- Return on Taxpayer Investment. Given a 1989 operating budget of less than $84 million, the Division's accomplishments translated into a dramatic return over investment to the Nation's taxpayers. For every dollar appropriated to the Division in 1989, four dollars were collected in cash, six dollars were secured in judgments and settlements and 248 dollars in claims against the Government were defeated.

Civil Division
Salaries and Expenses
Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1991 Program Increases	1991 Total
Attorneys (905)	477	480	59	539
Paralegal Specialists (950)	49	49	9	58
Gen. Admin. Clerical and Office Services (300-399)	355	355	28	383
Total	881	884	96	980
Washington	841	844	96	940
U.S. Field	39	39	...	39
Foreign Field	1	1	...	1
Total	881	884	96	980

Civil Division

Salaries and expenses, General Legal Activities

Priority Rankings

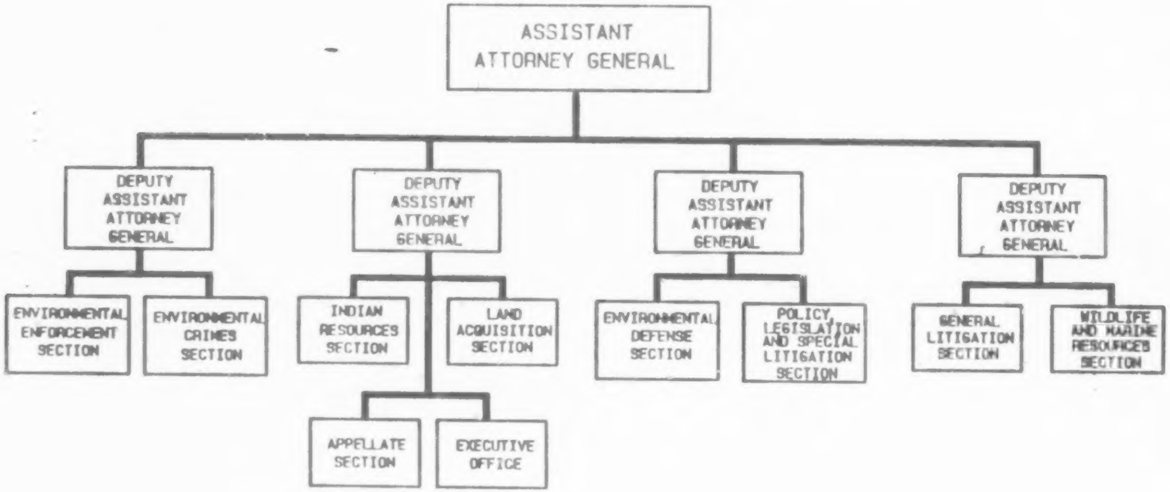
Base Program	
Program	Ranking
Torts Litigation	1
Commercial Litigation	2
Federal Programs	3
Immigration Litigation	4
Federal Appellate Activity	5
Consumer Litigation	6
Management and Administration	7

Program Increase	
Program	Ranking
Torts Litigation	1
Commercial Litigation	2
Federal Programs	3
Federal Appellate Activity	4

Civil Division
Salaries and Expenses
Financial Analysis - Program Changes
(Dollars in thousands)

Item	Appellate		Torts		Commercial		Federal Programs		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS/GM-15	1	$59	1	$59	6	$355	4	$237	12	$710
GS/GM-14	1	50	...	...	11	554	7	352	19	956
GS/GM-13	2	85	2	85	16	682	8	341	28	1,193
GS-11	1	30	1	30	4	120	3	89	9	269
GS-7	1	20	1	20	4	81	2	40	8	161
GS-6	1	18	...	...	4	73	3	55	8	146
GS-5	...	...	1	16	8	130	3	49	12	195
Total positions and annual rate	7	262	6	210	53	1,995	30	1,163	96	3,630
Lapse (-)	-4	-132	-3	-105	-26	-998	-16	-587	-49	-1,822
Total workyears and personnel compensation	3	130	3	105	27	997	14	576	47	1,808
Personnel benefits	...	23	...	19	...	184	...	106	...	332
Travel and transportation of persons	...	11	...	11	...	102	...	50	...	174
Other services	...	65	...	265	...	1,785	...	809	...	2,924
Supplies and materials	...	3	...	3	...	27	..	16	...	49
Equipment	...	4	...		...	45	...	27	...	80
Total workyears and obligations 1991	3	236	3	407	27	3,140	14	1,584	47	5,367

LAND AND NATURAL RESOURCES DIVISION


ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
ENVIRONMENTAL ENFORCEMENT SECTION
ENVIRONMENTAL CRIMES SECTION
INDIAN RESOURCES SECTION
LAND ACQUISITION SECTION
APPELLATE SECTION
EXECUTIVE OFFICE
ENVIRONMENTAL DEFENSE SECTION
POLICY, LEGISLATION AND SPECIAL LITIGATION SECTION
GENERAL LITIGATION SECTION
WILDLIFE AND MARINE RESOURCES SECTION

Approved: Edwin Meese III Date: 15 Apr 88

EDWIN MEESE III
Attorney General

Land and Natural Resources Division

Salaries and Expenses, General Legal Activities

Crosswalk of 1990 Changes
(Dollars in thousands)

Activity/Program	1990 President's Budget Request Pos.	WY	Amt.	Congressional Appropriation Actions on 1990 Request Pos.	WY	Amt.	1990 Sequestration Pos.	WY	Amt.	Approved Reprogrammings Pos.	WY	Amt.	1990 Appropriation Anticipated Pos.	WY	Amt
5. Land, natural resources and Indian matters															
Federal Appellate Activity	25	26	$2,146	...	...	...	...	...	-$26	...	...	...	25	26	$2,120
Land Acquisition	32	28	2,933	...	...	...	...	...	-35	...	...	...	32	28	2,898
Environmental Protection	179	159	17,853	-1	2	-$1,307	...	...	-198	...	...	...	178	161	16,348
General Litigation	112	111	10,741	-2	...	-617	...	...	-122	...	...	...	110	111	10,002
Management & Administration	38	30	4,048	...	...	-662	...	...	-41	...	...	...	38	30	3,345
Total.................................	386	354	37,721	-3	2	-2,586	...	...	-422	...	...	...	383	356	34,713

Congressional Appropriation Actions: Congress eliminated mandatory and program increases totaling 3 positions, 2 workyears and $2,586,000 which were targeted for affirmative and defensive environmental and general litigation cases.

Sequestration: Budget cuts amounting to $422,000 were imposed in accordance with provisions of the Omnibus Budget Reconciliation Act of 1990.

Land and Natural Resources Division
Salaries and Expenses, General Legal Activities
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990	383	356	$30,311
Department of Transportation Appropriations Act, 1990, Emergency Drug Funding	...	...	4,824
1990 as enacted	383	356	35,135
1990 Sequestration	...	...	-422
1990 Appropriation anticipated	383	356	34,713
Mandatory increases:			
Annualization of 37 additional positions approved in 1990	...	23	880
Additional compensable day	...	...	77
1990 Full-year pay increase impact on 1991	...	...	941
1991 Pay increase	...	...	368
SES pay increase	...	...	122
Health benefits	...	...	114
GSA Rent	...	...	41
GPO printing costs	...	...	7
Employee data and payroll services	...	...	6
Total, mandatory increases	...	23	2,556
Non-recurring Decreases:			
Associated with 1990 program increases	...	...	-45
Federal Telecommunications System	...	...	-108
Total decreases	...	23	-153
1991 Base	383	379	37,116

	1989 as Enacted			1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by Program	Perm Pos	WY	Amount	Perm Pos	WY	Amount	Perm Pos	WY	Amount	Perm Pos	WY	Amount	Perm Pos	WY	Amount	Perm Pos	WY	Amount
Land, Natural Resources and Indian Matters:																		
Federal Appellate Activity	27	28	$1,842	27	27	$1,842	25	26	$2,120	25	26	$2,219	25	26	$2,219	...	...	...
Land Acquisition	34	30	2,629	34	27	2,629	32	28	2,898	32	28	3,025	32	28	3,025	...	...	...
Environmental Protection	145	143	10,812	145	133	10,812	178	161	16,348	178	179	17,745	224	202	24,313	46	23	$6,568
General Litigation	110	111	8,528	110	106	8,528	110	111	10,002	110	113	10,517	110	113	10,517	...	...	...
Management & Administration	33	28	2,645	33	27	2,645	38	30	3,345	38	33	3,610	39	34	3,650	1	1	40
Subtotal	349	340	26,456	349	320	26,456	383	356	34,713	383	379	37,116	430	403	43,724	47	24	6,608
Reimbursable workyears		212			163			212			212			212			...	
Total workyears		552			483			568			591			615			24	

Land and Natural Resources Division

Salaries and Expenses, General Legal Activities

Summary of Resources by Program

(Dollars in thousands)

Estimates by budget activity	1989 as Enacted			1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm Pos	WY	Amount	Perm Pos	WY	Amount	Perm Pos	WY	Amount	Perm Pos	WY	Amount	Perm Pos	WY	Amount	Perm Pos	WY	Amount
5. Land, Natural Resources and Indian Matters:																		
Federal Appellate Activity....	27	28	$1,842	27	27	$1,842	25	26	$2,120	25	26	$2,219	25	26	$2,219	...	...	...
Land Acquisition..............	34	30	2,629	34	27	2,629	32	28	2,898	32	28	3,025	32	28	3,025	...	...	...
Environmental Protection......	145	143	10,812	145	133	10,812	178	161	16,348	178	179	17,745	224	202	24,313	46	23	$6,568
General Litigation............	110	111	8,528	110	106	8,528	110	111	10,002	110	113	10,517	110	113	10,517	...	...	...
Management & Administration...	33	28	2,645	33	27	2,645	38	30	3,345	38	33	3,610	39	34	3,650	1	1	40
Subtotal....................	349	340	26,456	349	320	26,456	383	356	34,713	383	379	37,116	430	403	43,724	47	24	6,608
Reimbursable workyears		212			163			212			212			212			...	
Total workyears		552			483			568			591			615			24	
Other Workyears:																		
Overtime, other		5			5			5			5			5			...	
Total, compensable workyears..		557			488			573			596			620			24	

Land and Natural Resources Division
Salaries and Expenses, General Legal Activities
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

Activity: Land, Natural Resources and Indian Matters	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Federal Appellate Activity	25	26	$2,120	25	26	$2,219	25	26	$2,219	...	...	...
Land Acquisition	32	28	2,898	32	28	3,025	32	28	3,025	...	...	...
Environmental Protection	178	161	16,348	178	179	17,745	224	202	24,313	46	23	$6,568
General Litigation	110	111	10,002	110	113	10,517	110	113	10,517	...	...	...
Management & Administration	38	30	3,345	38	33	3,610	39	34	3,650	1	1	40
Total	383	356	34,713	383	379	37,116	430	403	43,724	47	24	6,608

This budget activity includes resources for defensive and affirmative environmental litigation including criminal prosecution to force polluters to clean toxic waste dumps and meet Federal standards for air and water pollution. Additionally, civil suits and matters relating to title, possession and use of federal land and natural resources, as well as civil litigation involving Indians and Indian affairs, are handled by this program.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Federal Appellate Activity	25	26	$2,120	25	26	$2,219	25	26	$2,219	...	...	...

Long-Range Goal: To defend or assert the government's position in Land and Natural Resources Division cases in the appellate courts.

Major Objectives:
To defend successful trial court decisions and to file appeals from adverse decisions in all cases where appellate review is warranted.

To fully satisfy client agencies by formulating legal positions in appellate cases that best represent their interests.

To monitor private party cases and participate as *amicus curiae* in selected cases.

se Program Description. The Appellate unit of the Land and Natural Resources Division handles 90 percent of the appellate litigation arising from Division ses, and works closely with the U.S. Attorneys and Division attorneys handling the remainder. Most work involves coordinating the positions of client agency staff and trial section attorneys, analyzing the cases for appeal, seeking permission from the Solicitor General's Office to appeal adverse decisions, and preparing briefs and oral arguments. The unit also prepares draft briefs for the Solicitor General.

Within the past two years, the Section has become increasingly aware of instances of private lawsuits making new case law in environmental areas of direct concern to the United States, but which do not involve the United States or any federal agency as a party. Such suits can raise significant questions regarding interpretation of a statute (e.g., CERCLA), or regulations under such a statute, which may be controlling in subsequent litigation involving the Division. The Section is currently undertaking a deliberate effort, in conjunction with the Policy, Legislation and Special Litigation, Environmental Enforcement and Environmental Defense Sections, to identify these cases in a timely manner. This effort, while potentially very beneficial to the government's environmental concerns, will be particularly resource-intensive as the need for attorneys to "get into" a case not previously in the Division, write a memorandum to the Solicitor General recommending *amicus* participation, and subsequently write the brief itself, must all be accomplished within a relatively brief span of time.

Accomplishments and Workload: Accomplishments of the Appellate program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Cases/Matters pending, beginning of year	969	1,023	1,041	1,091
Cases/Matters received	288	286	325	325
Workload Production Estimates:				
Cases/Matters closed	234	268	275	275
Briefs Filed	300	239	275	275
Oral Arguments	119	120	145	150
Memos for the Solicitor General	131	107	130	130
Substantive Motions	132	96	130	130
Cases/Matters pending, end of year	1,023	1,041	1,091	1,141

The accomplishments of the Section's work is reflected in the quality and wide array of cases it handles. Among the more notable this past year was *Sylvester v. U.S. Army Corps of Engineers* (Ninth Cir.) which concerned the scope of review of decisions by agencies under the National Environmental Policy Act. Under NEPA, a federal agency must prepare an environmental impact statement for federal projects having a significant effect on the quality of the human environment. The difficulty arises when a federally permitted activity is only a small part of a larger non-federal project — and there is disagreement as to how much of the larger project should be considered to be an "effect" of the federal activity. The court held that the scope of an agency's duty to consider environmental effects of its projects, as determined by that agency, should be accorded deference -- in this case a rather narrow scope as the controversy revolved around a golf course situated in a large multi-component resort development. The decision is important in reducing the potential for suits under NEPA to tie-up or block essentially non-federal projects.

In *United States v. 594,464 Pounds of Salmon*, a significant victory of a different sort was won. Here the Court upheld the seizure of salmon under the Lacey Act, because the fish had been exported to the United States from Taiwan in violation of a Taiwanese "regulation". The Taiwanese legal system is unlike the legal systems in the West, and the "regulation" violated was technically neither a statute nor regulation as we use the terms. Nonetheless, the court found that it qualified as "law" under the Lacey Act, and upheld the seizure. The decision is expected to strengthen the hand of the government in using the Lacey Act to apply foreign laws for the protection of fish and wildlife. Additionally, such an application enables us to underscore our commitment to international cooperation.

In United States v. Fisher, the Seventh Circuit upheld the right of EPA under CERCLA to enter land (in this case an NPL site) when "...there is a reasonable basis to believe there may be a release or threat of a release of a hazardous substance of pollutant". The court found that the statutory test which the United States must meet was "undemanding" and affirmed the district court's injunction allowing the EPA on the land.

Finally, the Section has already begun to handle criminal cases and this trend will accelerate as more agents come aboard and more training is completed. One such appellate case this past year was United States v. Greer. The decision was gratifying because it reinstated the jury verdict in which the owner of a waste recycling and transportation business was convicted of dumping hazardous wastes and failing to report the dumping.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Land Acquisition..	32	28	$2,898	32	28	$3,025	32	28	$3,025	...	...	...

Long Range Goal: To obtain real property necessary for public purposes through condemnation proceedings which exercise the sovereign power of eminent domain, securing the lowest possible compensation awards consonant with fairness to both landowners and the government.

Major Objectives:

To secure the lowest possible compensation awards consonant with fairness to both landowners and the government.

To achieve and maintain a current status in the condemnation caseload (i.e., to reduce the pending caseload to the point where the backlog does not exceed the annual input).

Base Program Description: By means of the land acquisition program, properties needed for Congressionally authorized purposes, but which acquiring agencies are unable to directly purchase, are obtained through condemnation proceedings in which just compensation is determined and awarded to property owners. Acquisition by condemnation is a means of last resort; agencies are required by law, to the greatest extent practicable, to make every reasonable effort to acquire property by negotiation and direct purchase before requesting condemnation. A top priority is to move these high-exposure cases expeditiously.

The unit condemns land for a myriad of federal public purposes authorized by Acts of Congress. Examples include the improvement and protection of navigable waterways, flood control, military facilities, national parks, forests, lake shores and seashores, scenic and wild river systems, reclamation and irrigation of arid lands in western states, electric power generation and transmission facilities, wildlife preserves, airports and air traffic control facilities, and buildings, offices and facilities for federal agencies. Unless the government is able to exercise eminent domain to acquire these lands, the public purposes for which they are needed will be frustrated.

The Land Acquisition Section includes units devoted to appraisal analysis, title research and opinions, and condemnation litigation. In most condemnation cases, the issue placed before the district courts is the fair value of property taken by the government, and thus the unit is heavily dependent on expert analysis and testimony.

Accomplishments and Workload: Accomplishments of the Land Acquisition program are presented in the following table:

Item	1988	1989	Estimates 1990	 1991
Tracts pending, beginning of year	5,763	5,768	5,618	5,968
Tracts received	794	560	1,350[1]	1,350
Tracts closed	789	710	1,000	1,100
Tracts pending, end of year	5,768	5,618	5,968	6,218
Preliminary Opinions of Title Prepared	121	110	150	150
Final Opinions of Title Prepared	24	79	125	125
Agency-delegated Title Opinions Reviewed	2,044	1,352	2,200	2,200
District Court Title Hearings (Tracts)	6	...	10	10
Appraisal Reviews (Tracts)	786	433	810	810

The workload of this section involves condemnation litigation as well as the work of separate Title and an Appraisal Units. In 1989, the Section handled claims of over $86 million for property which government-contract appraisers valued at $30 million. This difference of $56 million was the critical issue in the Section's lawsuits. During 1989, courts awarded judgments totaling $39.6 million, representing a savings of $46.4 million achieved by the program or, put differently, a government savings of nearly $5 for every contested dollar awarded.

With the advent of the Equal Access to Justice Act (EAJA), another dimension was added to the more traditional litigation of this section. Increasingly, the conclusion of condemnation proceedings can mark the beginning of an EAJA mini-trial where the government is tasked with establishing whether the position of the government was "substantially justified" and, additionally, contesting the amount of the fees, costs and expenses claimed by the prevailing parties. These proceedings potentially occur in every case in which the private party prevails at trial (i.e., obtains a judgment that is closer to their valuation evidence than to the government's). Another law expected to affect the section's workload in 1991 is the November 1988 enactment of the tax bill, P.L. 100-647, which had as a rider, the taking of an additional 600 acres of land for the Manassas National Battlefield Park. In taking this land, Congress wielded an unusual and seldom-used power, a legislative taking, and acquired title to the property immediately by operation of law. This extraordinary power was used to prevent the land from being developed into a shopping center and some 100 homes.

Turning to significant cases handled this past year, one of the most notable was U.S. v. Kirby Forest Industries which was handled in conjunction with the United States Attorney for the Eastern District of Texas. Following the Supreme Court's earlier remand, a trial was heard and the government obtained a favorable award resulting in a refund of $1.5 million on the award previously granted. Additionally, the program obtained a very favorable trial award of $1.1 million in a minerals case, saving the government $13.9 million on the property owner's claim of $15 million.

---

[1] Workload in 1990 and 1991 is expected to be significantly higher than prior years as a result of the Act to Establish the Big Cypress National Preserve Addition in the State of Florida, which was signed into law April 29, 1988. The Act provides for the acquisition of 146,000 acres of land to be substantially completed within five years of enactment of the Act. The National Park Service anticipates approximately 2,500 tracts of land will be referred for condemnation. The agency further advises that it will be about 15 months after enactment of the bill before it will begin referring tracts, thus we anticipate the first receipts sometime in August of 1990 to be followed by approximately 500 tracts per year during the succeeding five-year period.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Environmental Protection....................................	178	161	$16,348	178	177	$17,745	224	202	$24,313	46	23	$6,568

Long Range Goal: To defend and enforce federal programs to protect wildlife and the environment without undue economic costs, and to promote voluntary compliance with the Nation's environmental protection laws.

Major Objectives:
To seek and obtain stiff criminal penalties and incarceration for persons and corporations involved in illegal dumping, and in illegal plant and wildlife trading.

To recover monies spent by or on behalf of federal agencies for damage to natural resources within their control.

To vigorously enforce legal standards and limits on pollution and waste discharges.

To maintain the rational, coherent operation of agency programs through the defense of agency actions and rules and regulations in court.

To successfully defend environmental programs and regulations from narrowly restrictive or overly broad interpretation.

To defend federal agencies whose facilities are the subject of litigation, while encouraging full compliance with environmental standards.

Base Program Description: The Environmental Protection unit is comprised of the Environmental Crimes, Environmental Defense, Environmental Enforcement, and Wildlife and Marine Resources Sections. The Environmental Crimes Section prosecutes criminal violations of environmental protection statutes such as the Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act, and Toxic Substances Control Act, where the standards for criminal as opposed to civil sanctions involve willful, knowing violations. This criminal initiative was undertaken first in 1982 when a Crimes Unit was established as part of the Environmental Enforcement Section. In 1987, as a result of the success of the program, a separate Environmental Crimes Section was created within the Land and Natural Resources Division.

The Environmental Defense Section defends rule-making, regulatory and permit actions and decisions made by the Environmental Protection Agency, the Army Corps of Engineers, and the Coast Guard, and represents federal agencies sued for violations of environmental laws. The Section's cases include petitions for review of agency regulations in the appellate courts, and district court cases involving permit decisions, federal facility lawsuits, and dredge and fill actions in navigable waterways. In addition to its defensive caseload, the Section has responsibility for affirmative litigation to enforce the wetlands laws.

The Environmental Enforcement Section conducts affirmative civil litigation to control and abate pollution. This program is primarily responsible for judicial enforcement of Environmental Protection Agency programs which regulate discharges into the Nation's air and water, and govern pesticide operations, solid waste storage, and nuclear waste, and natural resource damages on behalf of many other federal agencies. Approximately 90 percent of civil enforcement actions are personally handled by Environmental Enforcement Section staff attorneys. The Section also has primary responsibility for Superfund litigation to compel site cleaning and to recover federal funds.

More so than any other program element within the Division, the Environmental Enforcement Section makes money for the government. Since 1988, it assessed more than $50 million in civil penalties, stemming from enforcement actions directed at a number of major Fortune 500 companies. But revenue aside, this section is the principal civil enforcer of the federal environmental laws and therefore largely responsible for upholding the President's mandate "...to use every tool at their disposal" to enforce the environmental laws[2]. Specifically, they are charged with responding to the President's call for "...faster cleanups and tougher enforcement of penalties against polluters." To this end, the section not only brings suits against violators referred by the staff of 3,500 EPA enforcement personnel as well as other federal agencies, but engages in extensive client counseling activity, reviewing and commenting on literally hundreds of EPA policy documents each year and working closely with other Division, Department and Congressional personnel to draft and revise legislation as the need arises. Section personnel also expend considerable time addressing environmental and educational conferences throughout the country; since 1988, EES attorneys made over 75 such appearances.

The Wildlife and Marine Resources Section handles civil and criminal litigation to halt the growth in illegal wildlife and plant trade, and to defend federal agency regulations concerning wildlife and plants and federal programs such as dam construction which are challenged on wildlife damage grounds.

Accomplishments and Workload: Accomplishments of the Environmental Protection decision unit are presented sequentially by program element:

			Estimates	
Item	1988	1989	1990	1991
Cases/Matters pending, beginning of year	3,302	3,756	4,259	4,694
Cases/Matters received	1,264	1,088	1,465	1,735
Cases/Matters closed	810	585	1,030	1,150
Cases/Matters pending, end of year	3,756	4,259	4,694	5,279

Environmental Crimes - Since its October 1982 inception as a sub-unit within the Environmental Enforcement section, the Environmental Crimes program has returned indictments against 569 corporations and individuals; thus far, 432 defendants have pled or been found guilty resulting in $26.1 million in fines and the imposition of nearly 271 years of jail time, of which 102 years had been served as of October, 1989. The cases prosecuted have involved a broad spectrum of industry, including shipbuilders, oil refineries and pipelines, tanneries, demolition companies, chemical storage facilities, wood preservers, printing companies, emissions testing laboratories, food processors, dairies, auto body shops, dry cleaners, and companies whose sole or primary business is the handling of hazardous waste. These include a number of large, Fortune 500 companies such as Nabisco, Ralston-Purina, Keebler, W.R. Grace & Co., Orkin Exterminating, Ocean Spray, and Pennwalt.

A number of notable (and resource-intensive) environmental crime cases were concluded this past year, beginning when a Federal judge found Orkin Exterminating (United States v. Orkin Exterminating Co., Inc.), responsible for the fumigation deaths of a Virginia couple and subsequently fined the nation's biggest pest control company the maximum $500,000 fine. Following a lengthy trial (six weeks) in United States v. William Dee, et al., a Baltimore jury returned verdicts against three civilian managers of the United States Army's Chemical Research and Development Command. The charges grew out of an investigation of a sulfuric acid spill into a Chesapeake Bay tributary which had caused a massive fish kill in September of 1985. The "Aberdeen" case is an important victory for the environmental criminal enforcement program in that it alerts responsible federal employees that they, as well as their private sector counterparts, will be held answerable to criminal charges if environmental laws are ignored. The section obtained its first jail sentences involving criminal wetlands violations and, just last month (December 1989), fines of nearly $300,000 and prison terms were imposed — including an 18-month jail term for the company president — on a major New England hazardous waste transporter (United States v. MacDonald and Watson Waste Oil Co.). And, following a two-year undercover investigation by the FBI, the program began working with the numerous documents and evidentiary records gathered concerning illegal hazardous waste and nuclear storage handling practices at the Rocky Flats plant near Denver Colorado.

---

[2] Presidential address to Congress, February 9, 1989.

In U.S. v. Ashland Oil, Inc., the company, in February 1989, pled nolo contendere to charges stemming from a spill of 700,000 gallons of diesel oil into the Monongahela River from a 48-year old storage tank, affecting drinking water supplies in three states and plant and animal life for 1,000 miles downstream. Ashland was sentenced to a fine of $2.25 million for violations of the Clean Water and the Refuse Acts — the second-largest environmental criminal fine, exceeded only by that imposed on Allied Chemical in the James River kepone pollution case. But as important as the fine imposed is the case law precedent established in Ashland which promises to be beneficial in guiding our criminal investigation and litigation involving the spill of 11 million gallons from the Exxon Valdez in Alaska. Since shortly after this massive spill in March, the Environmental Crimes Section has devoted several attorneys to the investigation of this major environmental disaster.

Environmental Defense - As a direct result of this program's involvement, landmark agreements were reached this year involving two of the federal government's most controversial nuclear production facilities.[3] Under terms of the Hanford Interagency Agreement, signed February 27, 1989, the Department of Energy has promised to seek $2.8 billion over the next five years to commence the cleanup of the production site in Washington state which has been called "...the nation's most contaminated weapons production site"[4], ending years of legal wrangling and paving the way toward accelerated cleanup of the reservation over the next 30 years and delineating specific cleanup deadlines and duties for the various state agencies and the EPA and DOE. Similarly, in Ohio v. Department of Energy, the program negotiated a consent decree which set out DOE's obligations to clean up hazardous wastes in a manner satisfactory to both the State of Ohio and the EPA. Significantly, these agreements are expected to serve as prototypes for other such sites and hasten substantive environmental compliance as quickly as possible so that federal agencies can use their resources to achieve a cleanup rather than underwrite the cost of protracted litigation. (For example, in the instance of Ohio it has been estimated that the consent decree saved the government $2 million in litigation cost alone.)

On a different note but also related to this section's Federal Facility workload, was the April, 1989, decision of the Ninth Circuit upholding the government's position vis-a-vis civil penalties in United States v. Washington. Under the environmental statutes, sovereign immunity has been waived for substantive compliance, and the government must set a positive example of abiding by the very laws it enforces against private industry. However, we have maintained that sovereign immunity has not been waived for the payment of civil penalties by federal agencies. This issue has been litigated or is pending in approximately 12 district court cases. The potential exposure of the Treasury for such penalties is high, with estimates in current cases ranging above $10 million.

In H.W.T.C. v. E.P.A., another major decision this year, the Court of Appeals for the District of Columbia (cert. denied) further articulated who may and may not sue to challenge government regulatory action. It limited access to the courts for parties who have only a limited or academic interest in a regulatory regime. The decision prohibited an industry whose members were not directly impacted by the regulations from bringing challenges to them, applying the Constitutional principle of standing to bring suit. As a result, federal courts will not be burdened with lawsuits brought by parties who have merely a philosophical dispute with the government, rather than a real concrete interest in the particular program.

---

[3] Overall, the Energy Department plans to spend $2.4 billion in 1990 and up to $3.7 billion each of the following four years to bring the nation's nuclear weapon production plants into compliance with environmental and safety laws (The Washington Post, July 31, 1989; p. A-1).

[4] The Washington Post, February 28, 1989, p. A-6.

Environmental Enforcement - Over the past eight years, Environmental Enforcement section cases have resulted in civil penalty assessments in excess of $125 million; over $50 million since 1988.

Among the more notable cases handled by the section this past year was U.S. v. Ford Motor Company which was finally settled after the U.S. Supreme Court denied Ford's petition for a writ of certiorari. The case involved the largest penalty ($1.75 million) for violation of volatile organic compound emission limits. In addition, the consent decree includes a certification by Ford that it has closed and ceased operation of six noncomplying vinyl coating lines until it obtains state operating permits. In U.S. v. Borden Chemicals, a consent decree was entered settling this case for $1.25 million and extensive injunctive relief. The defendant violated EPA's rules controlling vinyl chloride emissions at its complex in Geismar, Louisiana. The settlement was twice the amount of the largest vinyl chloride settlement previously obtained. Finally, following a 31-day trial, the District Court in the Northern District of Indiana issued a 200-page opinion in U.S. v. Environmental Waste Control, ruling in the government's favor on virtually every issue in this complex RCRA case involving a hazardous waste landfill. The court held that the defendants had lost interim status and ordered the landfill closed permanently. It also ordered the defendants to carry out a government-recommended corrective action plan and imposed a civil penalty of nearly $2.8 million.

Fiscal 1989 saw two major environmental enforcement initiatives under the Clean Air Act and the Clean Water Act. In August 1989, the Enforcement Section filed 13 lawsuits against 45 corporate and individual defendants alleging violations of federal clean air requirements governing the proper removal and disposal of asbestos from buildings. These 13 actions were the most recent of the department's ongoing efforts to enforce the asbestos removal regulations. In the preceding five years, the Enforcement section filed 120 civil actions in federal courts alleging violations of EPA's asbestos rules. In a second enforcement initiative, the section filed suit against the cities of Detroit, El Paso, Phoenix and San Antonio for violating the Clean Water Act by failing to control industrial discharges of toxic waste waters into their sewage treatment systems. Twenty other cities were named in recent judicial actions for similar violations.

Wildlife and Marine Resources - Building on its role as the chief legal advisor and prosecutor for the Fish and Wildlife Service, the Section completed several noteworthy prosecutions involving widespread violations of migratory bird hunting laws, illegal big game hunting in national parks and wildlife refuges in Alaska and Virginia, and smuggling of polar bear hides into the United States. These prosecutions were multi-jurisdictional in scope and frequently involved as many as forty to fifty defendants. An example of such an undercover investigation was dramatically recounted in TIME Magazine (February 20, 1989; p.18.):

> "...waterfowl numbers have been plummeting [in Texas] in the face of droughts, habitat loss and illegal hunting and because a preliminary investigation uncovered widespread flouting of the wildlife laws...investigators simply masqueraded as duck hunters. Of the 42 hunting clubs visited, an astonishing 41 violated basic waterfowl-protection laws. In the course of the [undercover] operation, agents regularly documented egregious violations. At one posh club, for instance, an undercover agent was asked by unsuspecting guides to videotape a hunt during which 13 hunters slaughtered 204 birds (139 over the limit for that group). When a guide yelled to spook hundreds of geese clumped together in a pond, hunters fired blindly into the rising cloud of birds. After the fusillade, the water was littered with dead and wounded snow geese."

The subsequent prosecution resulted in 38 convictions, over $350,000 in fines and civil penalties, and nearly 30 years of incarceration. A large number of vehicles and airplanes used in the commission of the offenses were also forfeited.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Environmental Protection..........	178	179	$17,745	224	202	$24,313	46	23	$6,568

For 1991, increases of 46 positions, 23 workyears, and $6,568,000 are requested for the Environmental Protection program. This includes an increase of $3.9 million for automated litigation support for the Exxon Valdez natural resource damage litigation. The increases would be distributed among all of the four activities in this program, i.e., Environmental Crimes, Environmental Defense, Environmental Enforcement and Wildlife and Marine Resources.

The requested increase will enable the Division to combat the demands of:

- Environmental Law Training and Consultation — be it for AUSAs, EPA investigators, FBI agents, state/local officials or operators of federal facilities, the demand for advisory services is expected to skyrocket in the wake of new laws, increased sanctions, and heightened public awareness of environmental issues (e.g., Exxon Valdez and Aberdeen). The FBI, for example, is requesting 102 additional positions in 1991 for environmental crime. These must be viewed against a backdrop of growing public cynicism and proposed legislation (e.g., H.R. 3785 last year, H.R. 1056 this year) which seeks to limit or waive sovereign immunity;

- Drafting and Implementing New Legislation and Regulations — ranging from the Ocean Dumping Ban and the Medical Waste Tracking legislation enacted pre-election in the wake of last summer's littered beaches to the newly-amended Federal Insecticide, Fungicide, and Rodenticide Act and recently-effective bounty provisions stemming from enactment of SARA. Apart from the considerable resources expended on enforcing the laws, each of the program elements herein works with the PLSL section to draft and revise existing legislation as experience and case law develop; current examples include devising a new penalty structure for oil spills, and commenting on proposed revisions to the Clean Air Act; and,

- Environmental Initiatives — ranging from the President's official endorsement of "no net loss" interim policy for wetlands to the Secretary of Energy's unprecedented denouncement of mismanagement at the nation's nuclear weapons facilities and the policy reversal embodied in EPA Administrator Reilly's efforts to redirect $75 million and hire 500 new enforcement officers to halt the nation's polluters — this Administration has clearly signaled a renewed commitment to enforcement of environmental laws.

These demands and their effect on each of the program elements are discussed below:

Environmental Crimes — For 1991, this program is requesting 12 additional positions (5 attorneys, 3 paralegals and 4 support), 6 workyears and $642,000. The agencies involved in environmental investigations look to the Environmental Crimes Section for leadership and direction. To meet the obligations and expectations inherent in that role, and to maintain a standard of professionalism in the program, we must have both sufficient resources and a suitable organization structure. To fulfill this leadership role necessitates a closer alignment with the EPA and FBI regional divisions as well as the Offices of the United States Attorneys. Starting with the increase of 12 positions in 1991, and continuing in 1992, we intend to establish three internal units, with workload divided geographically, each headed by a supervising attorney. This will lead to approximately three attorneys devoted to the work of each EPA region, which we view as de minimis coverage given that large investigations/cases consume the full-time attention of more than one attorney, e.g., 4,000 hours have been devoted to the Baytank prosecution so far. This core level of staff is essential to allow the section to handle both routine matters across the country, and large, resource intensive cases such as Exxon Valdez and Rocky Flats.

Each unit will have at least one paralegal and two secretaries. Decisions to open cases will, in the first instance, be made by the unit supervisor and prosecutive decisions likewise, in the first instance, will be reviewed and approved by the unit supervisor. Such a structure corresponds to that found in the criminal divisions in the U.S. Attorneys offices and, we feel, will encourage prompt yet adequate review of investigative issues and prosecutive decisions. A major premise underlying the new structure is the notion that agency rapport is essential. The Chief and the Assistant Chief will continue to meet regularly with supervisory agents of EPA and FBI[5] to coordinate investigative efforts and policies. In the same vein, the Section leadership has recently proposed that the Attorney General's Advisory Committee consider creating a new subcommittee on environmental law. To meet the needs of the districts, the Section will target attorney applicants who have litigative experience. Our goal is to establish a direct line of communication between Washington and the field; one where the callers come to know the "team members" on the other end. ECS attorneys will be sent to the districts to participate in the Law Enforcement Coordinating Committee programs to discuss the need for cooperative efforts of local, state, and federal officials in the enforcement of the environmental laws.

Another factor increasingly affecting this program's workload are the Sentencing Guidelines which were reaffirmed this year by the Supreme Court (United States v. Mistretta). Although the bulk of the current criminal caseload involves crimes committed before the effective date of the guidelines, by 1991 it is expected that the docket will be dramatically affected by the new penalties which are relatively high (e.g., 27-33 months of incarceration for a one-count conviction involving a fairly common type of hazardous waste violation). Faced with these prospects, we expect more defendants to risk trial -- replete with all the attendant extra resources trials demand. Within a year, guidelines for organizational sentencing should also be in place; it too is likely to raise the stakes for corporate defendants. Finally, the most resource-intensive aspect of the sentencing guidelines involves both individual and organizational defendants--the fact that some cases will require prosecutors to get drawn into lengthy hearings and other proceedings over factual issues. This was underscored in the U.S. v. Ashland Oil experience when, in order to obtain the harsher sanctions available under the Alternative Fines Act, much time and effort was expended in determining the gross loss and structuring a suitable method of proof and argument to present to the court.

Finally, the level of criminal referrals is expected to spiral as the fruits of training and hiring become apparent. The FBI has not only trained 325 agents in environmental crime[6] but continues to target resources to the area. A dramatic confirmation of this trend was apparent in the June 6, 1989, raid of the top-secret Rocky Flats nuclear weapons plant outside Denver, Colorado. Acting in concert with EPA investigators, approximately 70 FBI agents searched for evidence of illegal storage and dumping of radioactive and other hazardous wastes. The FBI also has authorized training for 12 field offices in 1989, and is incorporating a new one-hour block of instruction on environmental crime into its new agent training program. More importantly, for 1991, the FBI is requesting an additional 62 agents and 40 general support positions. For its part, EPA expects to increase its "street agent" strength from 38 to 53 in 1990 (+40%); they are also requesting another significant increase in 1991. When coupled with the newly-effective bounty provisions of SARA (Superfund Amendments and Reauthorization Act), we expect this blanket approach to the training of agents, technicians and lawyers to produce a surge in referrals come 1991.

Environmental Defense -- For 1991, this program element is requesting 15 additional positions (8 attorneys, 2 paralegals and 5 support), 7 workyears and $768,000 (including $200,000 for automated litigation support). The Environmental Defense Section (EDS) request is grouped into three distinct categories: Federal facility work; defending new legislation, and; enforcing the wetlands laws. The federal facility docket continues its unabated growth; consider:

	1985	1986	1987	1988	1989
Federal facility cases	45	82	103	145	187

---

[5] Recently, the FBI upgraded the priority assigned to environmental crime and, as of March 1989, 100 agents spread among 50 of the FBI's 57 field offices were involved in 195 environmental crime investigations. This represents a dramatic five-fold increase within the past four years. Similarly, in 1984, there were no indictments or informations involving environmental crime; in 1988, there were 59.

[6] All divisions which receive FBI field training are encouraged to invite state regulatory and enforcement officials; consequently, over 1,000 state and local law enforcement agents have been trained in environmental crime investigation -- an important byproduct of this ancillary training are the substantial dividends in terms of joint case development and case referrals.

Whereas the advice and consultation services offered by the Environmental Crimes Section are designed to encourage litigation, those offered by the EDS are designed, in large part, to limit or avoid litigation -- at least as it applies to Federal Facilities. As mentioned in the preceding "Accomplishments" portion of this document, EDS has made some trailblazing progress this past year -- progress aimed at expediting fair and efficient compliance with the law.

More specifically, it is the view of EDS that ~~the best~~ long-term approach to federal government compliance with environmental laws[7] is through the development of standard protocols for compliance agreements, and training for federal agency personnel so that non-compliance incidents can be resolved quickly, thereby avoiding protracted, expensive litigation costs. To this end, EDS has worked with the Departments of Defense and Energy to develop model language for hazardous waste clean up agreements with EPA; similarly, efforts are now underway to develop prototype agreements with States. In a somewhat different vein, EDS will be filing suit on behalf of the Department of Energy (DOE) against the State of Nevada to overcome the State's efforts to prevent DOE from continuing certain activities at Yucca Mountain, Nevada. DOE is required by the Nuclear Waste Policy Act to conduct site characterization activities at Yucca Mountain to determine its suitability as the Nation's first high-level nuclear waste and spent fuel repository. The outcome of this litigation could have a very significant impact on the Nation's ability to safely dispose of the great amounts of nuclear waste which have been generated and will be generated in the future.

Complementing these efforts have been the development and presentation of a series of training seminars in hazardous waste law. Within the past year, these have included: two environmental law presentations at the Legal Education Institute (LEI), attracting 120 government-wide lawyers each time, as well as additional LEI programs in the field; a two-day hazardous waste training course for the Department of the Interior; two-day environmental law courses planned for 50-70 Navy attorneys at three separate conferences during this fiscal year.

Apart from its advisory role regarding federal facilities, additional EDS resources will be needed to defend three discrete case types: 30-50 petitions for review arising from EPA's 850-page proposed RCRA regulations due in May of 1990; recent amendments to section 304 of the Clean Water Act which have unexpectedly resulted in 30 new cases over the past three months; and, an emerging new class of cases — Fee/Tax cases. Fee/Tax cases involve the obligation of federal agencies to pay certain fees assessed by state and local governments. Under the law, the federal government is immune from state and local taxation, but is required to pay reasonable administrative fees for services rendered by state and local governments (e.g., schooling of children in localities with federal installations). This past year, the EDS has initiated a working group of concerned executive branch agencies (Defense, Energy, Commerce and others) to develop a consistent legal approach to the many fees assessed under environmental statutes. For example, over the past year, the Defense Department has been assessed more than $2 million for such "fees" in California alone. Currently New York has filed four lawsuits seeking to collect certain contested environmental fees, in excess of $5 million and other states and localities are aggressively pursuing fee structures. As a result, these cases are a high priority with our clients and we expect both our affirmative and defensive caseload to be affected.

---

[7] Under CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act of 1980; aka "Superfund") the federal government has the same responsibility for environmental compliance as any private party and is likewise liable for cleanup. Federal agencies are expected to fund such actions through their normal budget process (i.e., not use Superfund monies). This liability extends to the government's contractors and lessees. Since the government owns one-third of the nations's land area, this liability includes hazardous wastes sites at thousands of landfills, dumps, laboratories, military installations and hospitals, weapons productions plants and industrial facilities. In 1986, in SARA (Superfund Amendment and Reauthorization Act), Congress instructed EPA to create a federal agency hazardous waste compliance Docket, listing all hazardous waste sites owned, operated or formerly owned or operated by the government.

Turning now to the legislative category, additional positions are sought for defensive litigation arising from recent legislation or newly-issued regulations. Among the latter are RCRA permit cases where 1,500 land disposal facilities were to have been permitted by November 1988. As predicted in last year's budget for EDS, non-discretionary duty suits have arisen where EPA failed to meet its mandate and numerous defensive suits by environmental groups and permittees challenging the terms of the issued permits will continue to affect the section's workload over the next 2-3 years. Additionally, the 1988 Amendments to the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) have expanded EPA's authority to review and authorize for use certain chemicals and products; these decisions are certain to be challenged by a full array of citizen groups, farmers and manufacturers. An example of such a challenge was Nader v. EPA which involved EPA's standard for the pesticide ALAR, used in crops such as apples. While EPA's action permitting very low levels of ALAR residue in processed food was upheld by the court, ALAR is one of many pesticides which EPA will be reviewing as part of its new duties under the FIFRA amendments. Proper control of pesticides under the FIFRA amendments is a high EPA priority, since pesticide use is a major, national source of ground and surface water contamination. EPA has already informed us that it is dedicating additional resources to this growth area and an additional 20 cases are likely in 1991.

Corresponding to the category of Major Initiatives is the President's widely-publicized endorsement of the "no net loss" doctrine as recommended by the 1988 National Wetlands Policy Forum, chaired by Governor Kean of New Jersey. EDS requests additional positions to ensure compliance with the recommendation that additional resources be devoted to enforcement. Already, the Administrator of EPA has responded to this policy initiative by upgrading EPA's wetlands enforcement program — a move expected to increase our related workload in three ways. First, referrals for judicial action will no longer come primarily from the Corps of Engineers as in the past. Instead, they will come from EPA which, under terms of the EPA-DOJ Memorandum of Understanding, requires action within 60 days of receipt. To properly staff such cases, resources must be available to assist in the pre-referral review. We will also have to litigate the scope of remedy, including the necessary restoration of the wetland or mitigation in order to meet the "no net loss" provision. Relatedly, EPA's authority to assess administrative penalties for violations has been significantly expanded — leading to an additional 30-40 judicial challenges for the section. Finally, EPA is exercising its statutory authority to "veto" decisions of the Corps. Between 1984 and 1988, EPA exercised this authority only five times and there were only two lawsuits challenging such vetoes. By contrast, halfway into 1989 there have been four "vetoes" and two of these cases are already in litigation. These matters generally involve sensitive policy issues between the Corps of Engineers and EPA, as well as significant economic expectations by the parties seeking to fill the wetlands. As a result, the cases are resource-intensive and likely to generate an increase of second tier lawsuits seeking monetary compensation from the government for alleged losses suffered by developers.

Environmental Enforcement — This section is requesting 16 additional positions in 1991 (8 attorneys, 3 paralegals and 5 support), 8 workyears and $4,850,000 (including $4.1 million for automated litigation support). The Environmental Enforcement Section request will be used for the massive Exxon Valdez litigation, for the new class of natural resources damages cases, and for workload arising out of new legislation.

Civil litigation for natural resource damages arising from the massive oil spill into the Prince William Sound by the Exxon Valdez will be in full swing during 1991. Four natural resource trustees, the Departments of Agriculture, Commerce and the Interior, together with the State of Alaska, are pursuing restitution and recompense for lost or damaged natural resources. A case of this nature is fraught with complexities, ranging from relatively minor logistical concerns (travel to and from Alaska; arrangements for meeting with the numerous state and federal officials and their experts) to major litigation concerns (multi-million page evidentiary document collections; absence of clear precedent; contradictory applicable statutes). The Environmental Enforcement Section has taken the lead in coordinating solutions to these problems, big and small. In 1991, a major investment of $4.1 million for automated litigation support is needed to stay on top of this immense litigation.

Similar in strategy, but smaller in scope, are a new class of non-EPA cases involving sites under federal jurisdiction where damages to natural resources occurred as a result of hazardous substance handling at the site. Acting as a "trustee" of the injured resources, a federal agency may ask EES to pursue a claim for "natural resources damages" against the private parties responsible for the contamination. A full-blown natural resource damages claim must be based on a damages assessment; such assessments often require sophisticated economic techniques to value non-market resources, requiring extensive expert testimony. Accordingly, these cases (notably AVX and similar claims under the Clean Water Act in Shell Oil and, most recently, Exxon for the Alaska oil spill) are enormously resource-intensive, involving issues of both law and economics. Moreover, unlike other CERCLA claims, these case may be jury-triable. In AVX, for example, two three-month jury trials against individual defendants are scheduled during 1990 and another three trials in this case are set for 1991. (Parenthetically, natural resource damages issues also arise when potentially responsible parties ask to be released from such claims as part of settlements with EPA; EES estimates that they will have to address such claims in the course of 50-75 settlements in 1991). To date, we have received eight natural resource damage cases and, based on the clients' plans to meet the statute of limitations, which for claims at many of the sites will run on March 20, 1990, the section expects to receive another 10-20 natural resource damages cases from Interior and Commerce.

By 1991, the section anticipates a significant surge in referrals stemming from legislation enacted by the 100th Congress. These include the Ocean Dumping Ban Act of 1988, which amended the Marine Protection, Research and Sanctuaries Act to prohibit further dumping of sewage sludge and industrial waste in the ocean and establish a scheme for phasing out currently permitted dumping; the Asbestos Hazard Emergency Response Act which addresses the removal of asbestos from school buildings; the 1988 Amendments to FIFRA (addressed in the discussion of the Environmental Defense Section above); The Shore Protection Act, which regulates the transportation of municipal and commercial waste in coastal waters of the United States; and the Medical Waste Tracking Act of 1988, which requires the implementation of a major demonstration program for "cradle to grave" tracking of certain medical wastes. Finally, legislation implementing the international MARPOL Protocol became effective on December 31, 1988 which requires signatories to take measures to regulate pollution from ships and prohibits almost any disposal into the sea of items made of plastic.

These legislative changes have already generated considerable activity. For example, we have negotiated consent agreements for EPA with New York City and eight other nearby municipalities for the cessation of ocean dumping and development of sewage sludge alternatives. For its part, the Coast Guard has recently adopted implementing regulations for MARPOL and final regulations for the Medical Waste Tracking Act became effective in late May of 1989.

The balance of this section's request is needed to supplement its existing programs which are struggling to meet the demands imposed by prior legislation, ranging from Toxic Substances Control Act requirements for the cleaning up PCBs along thousands of miles of natural gas pipeline to routine enforcement actions now complicated by bankruptcy filings. One noteworthy example of additional demand imposed by an existing case category involves non-EPA CERCLA cases. In addition to being responsible for all affirmative litigation on behalf of EPA, EES also represents other federal agencies (such as Defense or Interior) when the agency has identified private parties who may have contributed to pollution on its site. These cases, past examples of which include Shell Oil (aka Rocky Mountain Arsenal), Allied, and Ciba-Geigy, are tremendously resource-intensive and generally involve 20+ defendants, major corporations, voluminous document production, and from dozens to hundreds of depositions. Finally, federal departments and agencies are also required to survey every facility they own or operate and not only undertake cleanup actions but identify private parties who should be sued for their share of the cleanup costs incurred. These are called contribution actions and both the Departments of Defense and Interior are inventorying their hazardous waste sites in an effort to identify potential contribution actions. Working from a preliminary list of about 280 hazardous waste sites on its lands, Interior expects to refer 10 additional CERCLA contribution actions in 1990-1991 and Defense anticipates a similar number.

Wildlife and Marine Resources — The fourth and final program element in this decision unit is requesting three additional positions (2 attorneys and 1 paralegal), 2 workyears and $308,000, to enable it to keep pace with a workload that has grown, in terms of both numbers and complexity, over the past six years and is likely to continue given new legislation, increased client agency staffing and other developments.

The Wildlife Section's civil workload, which constitutes about fifty percent of its case time, primarily involves challenges to a wide variety of federal programs ranging from endangered species protection and restrictions on migratory bird hunting to international whaling regulation and wildlife refuge management. At least fifty percent of our civil docket comprises challenges under the Endangered Species Act (ESA) to federal programs such as timber harvesting, offshore and onshore oil and gas leasing, wetland and mineral development. These challenges frequently allege that federal actions, such as road-building or dam construction, will jeopardize endangered species and result in impermissible takings of such species through habitat modification. As one would suppose, such cases often have significant economic ramifications for both government and industry. Recent examples include the red-cockaded woodpecker litigation in Texas which threatens to shut down substantial amounts of timber harvesting in the Southeastern United States (Sierra Club v. Lyng; appeal pending) and environmental challenges on ESA and other grounds which have forced re-analysis of the environmental impacts of mineral leasing in the West (Connor v. Burford).

Another area of substantial civil litigation involves fisheries. The Department of Commerce has informed the section that salmon allocation in the Pacific Northwest will remain very contentious for the next several years. As a result of continued Congressional interest in enforcement against foreign fishing vessels that are illegally taking United States origin salmon on the high seas, we have reinstated an interagency group that is studying high seas boarding and enforcement issues and the Coast Guard is likely to dedicate additional resources to enforcement activities.

On the criminal side, the Fish and Wildlife Service (FWS), refers 85 percent of the criminal docket and much of this emanates from its Special Operations Unit here in Washington. This past year, the FWS has increased its agent staff by 10 percent. Also this past year, the FWS opened its own forensics laboratory, increasing its ability to do forensics identification, particularly in instances of wildlife deaths due to pesticide poisonings. A third development expected to increase this section's workload by 1991, is the likely conclusion of three multi-jurisdictional undercover operations currently underway. Finally, within the past year Congress passed new or amended legislation which will affect the section, including: Marine Mammal Protection Act; Elephant Ivory Act; reauthorization of the Endangered Species Act and the Marine Protection, Research and Sanctuaries Act (which authorizes the Department [which, in turn, has delegated to the section authority] to bring natural resource damage actions on behalf of the Department of Commerce for damage to marine sanctuaries).

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
General Litigation..	110	111	$10,002	110	113	$10,517	110	113	$10,517	...	...	...

Long Range Goal: To defend and promote the public interest in federal land, water, mineral and Indian programs.

Major Objectives:
To successfully defend challenged federal programs and policies affecting the management and protection of public lands and natural resources.

To defend the Treasury against monetary claims arising from federal Indian and natural resources programs.

To represent effectively the interests of Indians where the United States is trustee, especially in water rights matters.

To provide legislative, public and Congressional liaison services for the Land and Natural Resources Division's programs.

Base Program Description: This program includes the General Litigation, Indian Resources and Policy, Legislation and Special Litigation (PLSL) Sections which are responsible for natural resources litigation, protection of Indian rights, and various legislative, policy and liaison activities respectively. Of these, the General Litigation section is the largest, and its cases span over 70 statutory areas administered by several dozen client agencies. Traditional General Litigation cases involve inverse condemnation, in which government actions are alleged to have taken private property; Indian claims for monetary relief from government inaction or mismanagement, defense of federal programs challenged for faulty environmental impact analyses; and, mineral leasing and mining cases on land and in the Outer Continental Shelf.

The United States has established trust relationships with various Indians and Indian tribes through a myriad of treaties, statutes and Executive orders. Under these authorities, the government is obliged to perform a number of functions on behalf of these tribes, including litigation to defend their rights. The Indian Resources Section of the decision unit handles these cases, the most important involving water rights. Many Indian reservations lie in the arid portions of the country where competition for water is fierce, and tribal rights to water must be established before reservation lands can be developed. Over 50 million acres of reservation lands, and the rights to major water systems in dry western states are at stake. Other cases in which the government represents the interests of Indians involve the establishment and protection of hunting and fishing rights, and suits to answer questions about tribal rights to self-determination.

Finally, responsibility to review and comment on legislative proposals for the Division's programs rests in the Policy, Legislation and Special Litigation Section (PLSL) of this program. Many environmental statutes are the subject of new legislative proposals, which benefit from analysis by the Division. After a bill is passed by Congress, the Section's responsibility involves analysis of new issues related to the implementation of the law, particularly in the first three years when few court decisions exist to give guidance on ambiguities that result from changes in laws. Complete screening of new legislation insures that the Division has detailed information on hand concerning the legislative history for use in litigation which arises after a bill becomes a law. Coordination between the various federal, state and local government agencies involved with environmental concerns and the conservation and development of natural resources is also within the purview of the decision unit, as is the initial development of Division policies in these areas.

Accomplishments and Workload: Accomplishments of the General Litigation program are presented in the following table:

			Estimates	
Item	1988	1989	1990	1991
Cases/Matters pending, beginning of year	4,211	4,810	5,075	5,350
Cases/Matters received	3,135	2,900	2,920	2,930
Cases/Matters closed	2,536	2,635	2,645	2,650
Cases/Matters pending, end of year	4,810	5,075	5,350	5,630

The General Litigation Section's purview spans some 70 federal statutes and involves widely disparate programs and clients. From 1987 to date, the section has reduced its already low payout rate on money claims against the government from a modest 15 percent to an even lower four percent. Liabilities avoided during that same time period totalled nearly $1.5 billion. Finally, the program had a banner year in 1989 as a "money-maker", with affirmative litigation returning over $31 million to the Treasury.

Among the significant cases handled by the General Litigation Section this year were the following. The Section successfully defended a challenge to AIDS research using biotechnology by the United States where the plaintiffs alleged violations of the National Environmental Policy Act, in Foundation On Economic Trends v. Bowen. In Florida Coalition for Peace and Justice v. George Bush, the Section successfully defended the United States in a suit seeking to declare unlawful and enjoin the launching of the space shuttle Atlantis and the Galileo spacecraft. Plaintiffs alleged a concern that the Galileo, carrying 50 pounds of plutonium fuel, might be involved in an accident resulting in irradiation of thousands of people and of space. The Section continues to advocate and pursue alternatives to litigation. Seeking to end a long, drawn-out dispute over the National Forest Service's use of herbicides in the Pacific Northwest, the Section joined other parties to the dispute in mediation. The parties used mediation successfully to end five years of litigation.

The Indian Resources Section also enjoyed success when Congress enacted legislation ratifying the settlement agreement negotiated by the section. The agreement quantified the water rights of the Ute Mountain Indian Tribe in Colorado (In re: Adjudication of Water Rights in Water Division No. 7). And in Montana, the section obtained a $30 million judgment against the State for illegal taxes on coal production on the Crow Reservation. Montana paid the judgment to the Bureau of Indian Affairs. (Crow Tribe v. Montana.) Finally, the Idaho Supreme Court adopted the section's argument (and the United States Supreme Court denied a petition for certiorari) that all water rights claimants had to be joined as parties in an action instituted in state court to quantify the water rights -- thus avoiding the need for involvement in myriad smaller suits.

The accomplishments of the Policy, Legislation and Special Litigation (PLSL) section include not only the processing of an ever-increasing number of FOIA requests (110 in 1987 v. an estimated 148 in 1989) together with a steady stream of controlled correspondence, citizen's mail and legislative proposals, but their recent effort to monitor citizen enforcement suits in the district courts. This latter activity is intended to identify private party consent decrees, primarily involving the Clean Water Act, which could impact not only government programs but the course of subsequent legal decisions where the government is a party. The work involves extensive coordination within the Division since several other sections (Environmental Enforcement, Environmental Defense and Appellate) often have various interests in these cases. The section reviews notices of intent to sue, complaints and consent decrees under many of the environmental statutes (over 200 such documents were received last year) and comments, participates as amicus curiae, or intervenes in certain of these cases when appropriate.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Management & Administration..................................	38	30	$3,345	38	33	$3,610	39	34	$3,650	1	1	$40

Long Range Goal: To efficiently and effectively manage the Land and Natural Resources Division, and to provide the administrative services and support necessary to carry forward the Division's programs.

Major Objectives:
To develop program initiatives to permit effective responses to Administration policy requirements.

To provide policy direction to the Division's program managers.

To ensure that all statutory obligations are met.

To increase productivity and effectiveness through management planning and office automation technology.

To recruit and provide training for highly competent and motivated staff.

To develop and maintain systems for improved fiscal planning and accountability.

To provide adequate administrative services, including space and facilities, mail and messengers, copying and supplies.

To update and improve automated management information systems.

Base Program Description: The Management and Administration decision unit includes the Office of the Assistant Attorney General and the Executive Office for Administration. Thus, this program provides overall direction and management of the Land and Natural Resources Division, and supervises and administers operations necessary to support the Division's litigative mission. Responsibilities of the unit include: budget preparation and execution; financial management; development, operation and maintenance of management and automated support systems; workload and resource requirements analyses; recruitment; processing of personnel actions; management of space and facilities; provision of office equipment and supplies; processing mail; and the provision of messenger, copying and printing services.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Management & Administration	38	33	$3,610	39	34	$3,650	1	1	$40

This program requests one additional position and $40,000 for the Executive Office for litigation support activities. At first blush, the size of this Division's Management and Administration component might appear roughly comparable to those of other divisions in the Department — on a relative basis. But closer examination reveals that, in addition to its appropriated budget and personnel resources, Division management also will oversee in 1991 the personnel needs of 212 Superfund positions and a reimbursable budget of $40 million. The attendant administrative workload, when coupled with the 1991 litigative program requests, necessitates continuing, modest increases in the Management and Administration decision unit over the next several years. The position requested will be used by the Litigation Support Group to handle the planned growth in automated litigation support in the Division. In light of the 1990 and 1991 ALS budget requests, litigation support case managers will be managing approximately 90 cases and a litigation support budget over $17 million; a far cry from just six years ago when the Division's budget for this activity hovered around $1 million. In the ensuing years, our experience has been that each case manager should oversee an ALS budget of roughly $800,000-850,000. Nevertheless, the 1991 request envisions Lands Division personnel managing well over $1 million each.

Land and Natural Resources Division

Salaries and Expenses, General Legal Activities

Financial Analysis - Program Changes

(Dollars in thousands)

Item	Environmental Protection								Management & Administration		Total	
	Environmental Crimes		Environmental Defense		Environmental Enforcement		Wildlife and Marine Resources		Executive Office			
	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount
GS/GM-15	1	$59	1	$59	1	$59	2	$118			5	$295
GS/GM-14	1	50	1	50							2	100
GS/GM-13	1	43			3	128					4	171
GS-12	1	36	2	72	2	72					5	180
GS-11	1	30	3	90	2	60			1	$30	7	210
GS-9	2	49	2	49	2	49	1	25			7	172
GS-7	2	40	1	20	2	40					5	100
GS-5	2	33	5	82	2	33					9	148
GS-4	1	15			1	15					2	30
GS-3					1	13					1	13
Total positions and annual rate	12	355	15	422	16	469	3	143	1	30	47	1,419
Lapse (-)	-6	-178	-8	-211	-8	-235	-1	-43			-23	-667
Total, workyears and personnel compensation	6	177	7	211	8	234	2	100	1	30	24	752
Personnel benefits		28		34		37		16		5		120
Travel and transportation of persons		140		30		200		66		1		437
Rent, Communications & Utilities		9		7		13		3		1		33
GSA Rent		50		61		67		12		1		191
Other services		230		413		4,288		107		2		5,040
Supplies and materials		2		2		3		1				8
Equipment		6		10		8		3				27
Total, program workyears and obligation changes required, 1991	6	642	7	768	8	4,850	2	308	1	40	24	6,608

Land and Natural Resources Division

Salaries and Expenses, General Legal Activities

Priority Rankings

Base Program

Program	Ranking
Environmental Protection	1
General Litigation	2
Federal Appellate Activity	3
Land Acquisition	4
Management & Administration	5

Program Changes

Program	Ranking
Environmental Protection	1
Management & Administration	2

Land and Natural Resources Division

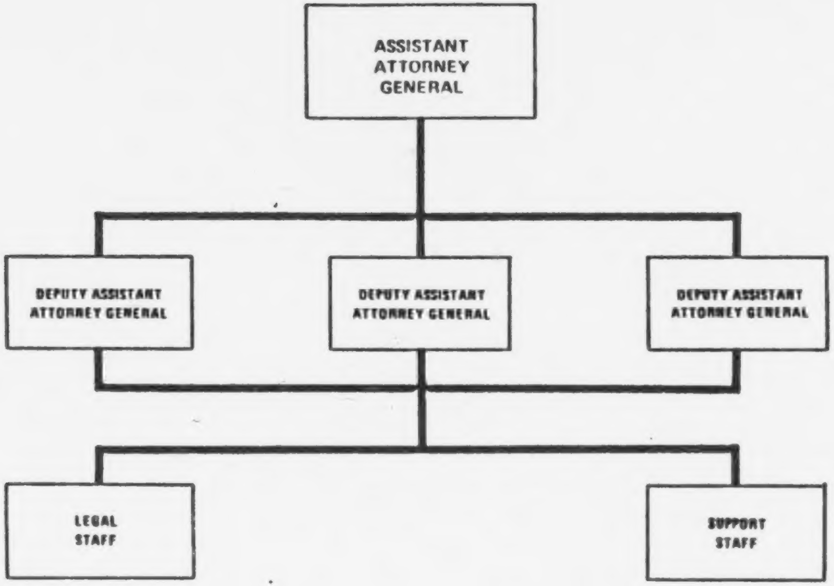
Salaries and Expenses, General Legal Activities

Detail of Permanent Positions by Category

Fiscal Years 1989 - 1991

	1989 Authorized	1990 Authorized	1991 Program Increases	1991 Total
Attorneys (905)	189	207	23	230
Paralegal Specialist (950)	25	33	9	42
Other legal and kindred (900-998)	9	9	...	9
Gen. Admin., clerical and office services (300-399)	120	127	15	142
Accounting and Budget (500-599)	3	4	...	4
Business and Industry Group (1100-1199)	3	3	...	3
Total	349	383	47	430
Washington	335	369	47	416
U.S. Field	14	14	...	14
Total	349	383	47	430

OFFICE OF LEGAL COUNSEL


ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
LEGAL STAFF
SUPPORT STAFF

Approved: William French Smith Date: 1/19/84
William French Smith
Attorney General

Office of Legal Counsel

Salaries and Expenses, General Legal Activities
Summary of requirements
(Dollars in Thousands)

Adjustments to Base:	Perm. Pos.	Work-Years	Amount
1990 As Enacted	39	42	$2,852
1990 Sequestration	..	..	-34
1990 Appropriation Anticipated	39	42	2,818
Mandatory Increases:			
Annualization of 1990 positions	..	1	23
Additional Compensable Day	..	..	9
1990 Full-year pay increase impact on 1991	..	..	78
1991 Pay raise	..	..	28
Executive salary increases	..	..	38
Health benefits	..	..	10
GSA Rent	..	..	9
GPO printing costs	..	..	3
Total mandatory increases	..	..	198
Decreases:			
Federal Telecommunications System (FTS)	..	..	-3
1991 Base	39	43	$3,013

Estimates by Budget Activity	1989 as Enacted Perm. Pos.	WY	Amount	1989 Actual Perm. Pos.	WY	Amount	1990 Appropriation Anticipated Perm. Pos.	WY	Amount	1991 Base Perm. Pos.	WY	Amount	1991 Estimate Perm. Pos.	WY	Amount	Increase/ Decrease Perm. Pos.	WY	Amount
6. Legal Opinions..	35	39	$2,764	37	33	$2,762	39	42	$2,818	39	43	$3,013	39	43	$3,013	...	..	...
EOY employment:																		
Full-time				32			34			34			37					
Other				5			5			5			5					
				37			39			39			42					

OFFICE OF LEGAL COUNSEL

Salaries and Expenses, General Legal Actvities

Summary of Requirements
(Dollars in thousands)

Long Range Goal:

To assist the Attorney General in his role as legal adviser to the Executive Branch, and to provide timely, thorough and reliable legal analysis in response to requests for opinions from the President, the White House staff through the Counsel to the President, the Attorney General, Justice Department components and the heads of executive agencies.

Major Objectives:

To enhance the Office's ability to assist the Attorney General in his role of providing general legal advice to the President and Executive Branch agencies; to improve the Office's usefulness in resolving intra-Executive Branch disputes over legal questions.

To enable the Office better to assist other components of the Department of Justice where litigation or proposed legislation raises constitutional issues or issues of general concern to the Executive Branch.

To expedite performance of its role of approving Executive Orders and Orders of the Attorney General as to form and legality.

To continue the practice, begun in 1977, of making publicly available in published form those Office of Legal Counsel opinions that are of general interest to the public.

Base Program Description:

The principal duty of the Office of Legal Counsel is to assist the Attorney General in his role as legal adviser to the President and Executive Branch agencies and as arbiter of legal disputes within the Executive Branch. The Office also provides general legal assistance to other components of the Department, especially where litigation or proposed legislation raises constitutional issues or general issues of executive authority. It reviews for form and legality all executive orders and proclamations proposed by the President, as well as all proposed orders of the Attorney General and all regulations requiring his approval. In addition, the staff is also involved in coordinating the work of the Department regarding treaties, executive agreements and international organizations, and performs a variety of special assignments referred to the Office by the Attorney General, the Deputy Attorney General or the Associate Attorney General. The Office has responsibility for advising the Office of Government Ethics on matters of law in the area of conflict of interest, and the Assistant Attorney General serves as ethics counselor to the Office of the Attorney General, the Deputy Attorney General, the Associate Attorney General and the Solicitor General.

The President has directed the Attorney General to establish and convene a General Counsel's Consultative Group consisting of the general counsels of the principal Executive branch components. The purpose of this Group is to improve coordination and consistency in handling of important legal issues of common concern throughout the Executive Branch, particularly legal matters bearing upon the President's constitutional responsibilities and authority. The President has stressed to the Attorney General that he intends his Administration to be faithful to the principle of separation of powers. In this regard, he believes it is his constitutional duty to ensure that the Executive branch maintains its unitary character. The President has advised the Attorney General that he expects all of his attorneys throughout the Executive branch to make this one of their highest priorities. The Assistant Attorney General for the Office of Legal Counsel chairs the General Counsel's Consultative Group.

At the request of the Attorney General, the Assistant Attorney General for the Office of Legal Counsel represents the Department of Justice on various groups that report to the National Security Council.

The Attorney General has directed the Office of Legal Counsel to represent the Department of Justice on the Administrative Conference of the United States, as appropriate, on regulatory reform matters.

The Attorney General has requested that the Office of Legal Counsel advise and assist him in the selection and appointment of Federal judges.

The statutory authority pertaining to the Office of Legal Counsel is 28 U.S.C. 511-512. There are no pending or proposed legislative changes which would affect this Office.

The Office of Legal Counsel does not initiate any programs nor does it have control over the volume of its work, which results from requests for opinions and legal advice from the President, the White House staff, the Attorney General, members of the Cabinet and Executive Branch agencies and other Department of Justice officials.

A small number of requests are considered appropriate for formal Attorney General opinions, which are drafted preliminarily in OLC and reviewed, revised and approved by the Attorney General. Most requests result in the preparation of legal opinions signed by the Assistant Attorney General or one of the Deputies based upon the research of one or more of the 21 staff attorneys. Other requests result in the provision of oral advice to the client.

Since 1977, at the direction of the Attorney General, this Office has published selected formal opinions. Volumes covering the years 1977 through 1982 have been issued and the 1982 volume will be issued shortly.

OLC's role in the Department's legislative program has increased dramatically in recent years, and includes drafting legislative opinions, testimony, Presidential signing statements and veto messages. OLC has taken a major role in either testifying or preparing testimony in connection with pending legislation of interest to the Department and the Administration, and has assisted in the drafting of legislation. It has also provided advice to the litigating divisions and the Solicitor General on constitutional issues relating to presidential authority and separation of powers.

In addition, because of its expertise in certain areas, the Office has assumed an on-going advisory role to other Department components, on issues relating to immigration reform, Iran/Contra, the debt ceiling and budget reform, executive privilege, federalism, conflict of interest and ethics, and various independent counsel matters.

Accomplishments and Workload:

Accomplishments of the Office of Legal Counsel are presented in the following tables:

ITEM	1988	1989	1990	1991
Executive Orders and Proclamations	70	65	75	80
Opinions	535	560	600	650
Intradepartmental Opinions	625	700	800	850
Special Assignments	2,900	3,200	4,000	4,500

Explanation: The "Opinions" category is an estimate of advice given to the White House, OMB and other executive Departments and agencies. It includes both formal and informal advice as well as responses to requests for information.

The "Intradepartmental Opinions" category is an estimate of informal advice given to the Office of the Attorney General as well as other Departmental units, formal opinions and bill comments.

The "Special Assignment" category is an estimate of a number of different matters including informal advice, responses to oral requests for information and referral, citizen inquiries as well as review of Freedom of Information Act and Privacy Act requests.

During 1986-87, CLC provided legal opinions under Executive Order No. 12146 in a number of disputes between executive agencies. The Office responds to every request for dispute resolution it receives, and continues to enjoy a high degree of respect from executive agencies for its opinions.

During the past year, the Office has provided general legal advice to the President and the various departments and agencies of the Executive Branch on a wide range of constitutional and legal issues, particularly issues of executive authority and separation of powers and on questions relating more narrowly to the powers and duties of particular departments and agencies. It has rendered important opinions of the United States Sentencing Commission, drug testing, the fairness doctrine, the employment of private legal counsel, and the closure of the U.N. Observer Office of the Palestine Liberation Organization. It also took a leading role in supporting the Supreme Court nominations of Robert Bork and Douglas Ginsburg.

The Office has reviewed numerous executive orders for form and legality and given advice to the President concerning appropriate revisions. OLC has also reviewed all orders of the Attorney General during this period, most of them on very limited time schedules. In addition, in various emergency situations, the Office has been called on to advise the White House or the Attorney General.

Finally, work has begun on Volume 6 and 7 of the Opinions of the Office of Legal Counsel for 1982 and 1983. The volumes include formal opinions of the Attorney General signed during this period. In an effort to put in place a structure that will improve our speed and production of these volumes, we have recently hired specialized personnel to supervise collation and editing of this material. As these volumes are the only place that Attorney General opinions are now being published, we are making every effort to bring this important project up to date.

The Office has recently acquired the AMICUS Office Automation system. By joining the increasing number of Department units that employ this system, the Office will increase its efficiency and productivity through fewer computer malfunctions, speedier access to research tools such as JURIS, and quicker communications through electronic mail with other Department offices. The budget reflects the cost of acquiring and maintaining AMICUS as well as provision for the training of new personnel. Because the Office has a fairly high turnover of attorney personnel, it is expected that training and maintenance will be significant budget items during FY 1990 and 1991.

Office of Legal Counsel

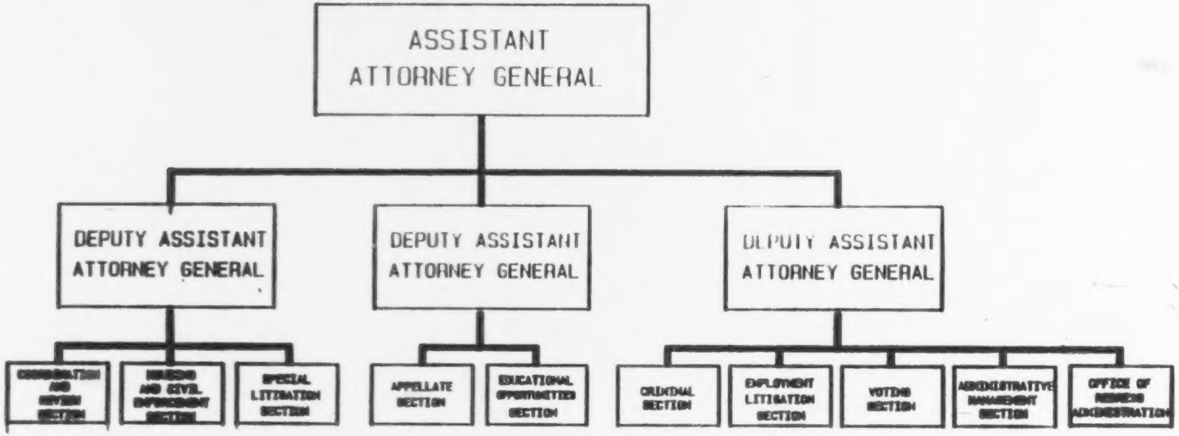
Salaries and Expenses, General Legal Activities

Detail of Permanent Positions by Category

Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Request	1991 Request
Attorneys (905)	20	23	23
Paralegal Specialist (905)	3	4	4
Legal Technicians (986)	6	6	6
General Administrative, clerical & office svc. (300-399)	6	6	6
Total	35	39	39
Washington	35	39	39
Total	35	39	39

CIVIL RIGHTS DIVISION


ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
COORDINATION AND REVIEW SECTION
HOUSING AND CIVIL ENFORCEMENT SECTION
SPECIAL LITIGATION SECTION
APPELLATE SECTION
EDUCATIONAL OPPORTUNITIES SECTION
CRIMINAL SECTION
EMPLOYMENT LITIGATION SECTION
VOTING SECTION
ADMINISTRATIVE MANAGEMENT SECTION
OFFICE OF REDRESS ADMINISTRATION

Approved: Dick Thornburgh
DICK THORNBURGH
Attorney General

Date: 2-13-89

Civil Rights Division
General Legal Activities
Salaries and expenses
Crosswalk of 1990 Changes
(Dollars in thousands)

	1990 President's Budget Request			Congressional Appropriations Actions on 1990 Request			1990 Sequestration			Reprogrammings			1990 Appropriation Anticipated		
Activity/Program	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
7. Civil rights matters:															
a. Federal appellate activity...	32	29	$2,276	...	...	...	...	...	-$28	...	...	...	32	29	$2,248
b. Civil rights prosecution.....	45	41	3,217	...	...	...	...	...	-39	...	...	...	45	41	3,178
c. Special litigation...........	35	32	2,856	...	...	...	...	...	-35	...	...	...	35	32	2,821
d. Voting.......................	68	66	4,161	...	...	...	...	...	-51	...	...	...	68	66	4,110
e. Employment litigation........	63	59	4,395	...	...	...	...	...	-54	...	...	...	63	59	4,341
f. Coordination and review......	39	37	2,811	...	...	...	...	...	-35	...	...	...	39	37	2,776
g. Housing and civil enforcement	33	31	2,371	...	...	...	...	...	-29	...	...	...	33	31	2,342
h. Educational opportunities....	31	28	2,229	...	...	...	...	...	-27	...	...	...	31	28	2,202
i. Management and Administration	119	104	7,864	...	...	$728	...	...	-97	...	...	...	119	104	8,495
Total......................	465	427	$32,180	...	...	$728	...	...	-$395	...	...	...	465	427	$32,513

Congressional Appropriation Actions on 1990 Request. This column reflects an increase of $728,000 for administration of the Office of Redress Administration entitlement program.

Sequestration. This column reflects the pro-rate reduction taken in accordance with P.L. 99-177 as amended by the Omnibus Budget Reconciliation Act of 1989. This reduction will be absorbed through more stringent management controls and will have relatively little impact on the Division.

Civil Rights Division

Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Adjustments to base:			
1990 as enacted	465	427	32,908
1990 Sequestration	...	...	-395
1990 appropriation anticipated	465	427	32,513
Mandatory increases:			
Annualization of 40 additional positions approved in 1990	...	18	1,196
Additional Compensable day	...	...	93
1990 full-year pay increase impact on 1992	...	...	802
1991 pay increase	...	...	296
Senior Executive Service pay increase	...	...	106
Health Benefits	...	...	92
GSA Rent	...	...	77
Government Printing Office (GPO) printing costs	...	...	3
Employee data and payroll services	...	...	4
Total mandatory increases	...	18	2,669
Decreases:			
Associated with 1990 Program Increases Office of Redress Administration Contracting Out Savings	(42)	(41)	...
Federal Telecommunications System (FTS)	...	...	(175)
Total decreases	(42)	(41)	(175)
1991 Base	423	404	35,007

	1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
Estimate by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
7. Civil rights matters...	425	388	$27,652	465	427	$32,513	423	404	$35,007	481	431	$39,324	58	27	$4,317
EOY Employment:															
Full-time permanent		360			390			389			447			58	
Reimbursable		6			6			6			6			...	
Other		39			39			26			21			...	
		399			435			421			474			58	

Civil Rights Division

General Legal Activities, Salaries and expenses

Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1989 as Enacted			1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil rights matters:																		
Federal appellate activity..................	32	29	$2,038	32	28	$1,847	32	29	$2,248	32	29	$2,363	32	29	$2,363	...	...	...
Civil rights prosecution....	45	41	2,872	45	41	2,981	45	41	3,178	45	41	3,308	45	41	3,308	...	...	...
Special litigation..........	35	32	2,582	35	31	2,251	35	32	2,821	35	32	2,940	35	32	2,940	...	...	...
Voting......................	68	66	3,703	68	66	4,062	68	66	4,110	68	66	4,287	84	74	6,031	16	8	$1,744
Employment litigation.......	63	59	3,941	63	58	3,816	63	59	4,341	63	59	4,526	63	59	4,526	...	...	...
Coordination and review.....	39	37	2,528	39	36	2,472	39	37	2,776	39	37	2,904	38	36	2,904	-1	-1	...
Housing and civil enforcement...............	33	31	2,135	33	31	2,077	33	31	2,342	33	31	2,450	80	55	4,950	47	24	2,500
Educational opportunities...	31	28	2,006	31	27	2,024	31	28	2,202	31	28	2,298	30	27	2,298	-1	-1	...
Management and administration............	79	71	5,951	79	70	6,122	119	104	8,495	77	81	9,931	74	78	10,004	-3	-3	73
Total..................	425	394	$27,756	425	388	$27,652	465	427	$32,513	423	404	$35,007	481	431	$39,324	58	27	$4,317
Reimbursable Workyears......		6			6			6			6			6			...	
Total Workyears............		400			394			433			410			437			27	
Other Workyears:																		
Overtime..................		3			3			3			3			3			...	
Total compensable workyears.................		403			397			436			413			440			27	

Civil Rights Division
Salaries and expenses
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity....................	32	29	$2,248	32	29	$2,363	32	29	$2,363	...	...	...

Long-Range Goal: To reduce the incidence of unlawful denials of civil and constitutional rights.

Major Objectives:
To file on a selective basis, appellate level cases initiated by the government and serve as a friend of the court in appellate cases which have a substantial impact on federal civil rights enforcement.

To handle all appropriate appellate level litigation in the civil rights area rather than to have such cases handled by enforcement programs.

To provide legal counsel to government departments and agencies on civil rights issues, and legal counsel and research assistance, with respect to pending litigation, to other Division and Department programs.

To provide substantive support for the Division's legislative initiatives and to comment on the legislative proposals of others.

Base Program Description: A district court judgment may be reviewed in the courts of appeals or the Supreme Court. This program handles or supervises the handling of all appeals from both favorable and adverse judgments in which the government participated. Supreme Court cases require coordination with the Office of the Solicitor General. A favorable district court decision is meaningless if it is reversed on appeal. Thus, the success of the Division's front-line litigating programs depends on this program's effectiveness on appeal. In support of an effective civil rights enforcement program, personnel develops (as requested) new legislation or modifications or amendments to existing legislation in the interest of protecting the civil rights of all citizens; comment on the civil rights legislative proposals of others; and, provide legal counsel to federal agencies responsible for the administration and development of programs with civil rights implications which invariably present difficult legal and policy questions. The advice the staff provides is designed to ensure the legality of such programs, promote uniform policy application, and lessen the future possibility of expensive and disruptive litigation.

Accomplishments and Workload: Accomplishments of the Federal Appellate program are presented in the following table:

Item	1988	1989	Estimates 1990	 1991
Cases/Matters Received	136	124	140	140
Briefs Filed	67	56	70	70
Solicitor General Recommendations	30	22	34	34
Decision Not to Participate or Appeal	19	25	25	25
Legal Counsel and Research Assistance Provided	27	36	40	40
Legislative Comment and Testimony	10	158	170	170
Cases/Matters Handled	156	172	163	163

Workload projections for future years in all categories are based on considerations of the staff's production in previous years, and the level and complexity of activity in other litigating programs. It should be noted, however, that the work of this program is closely correlated to the number of cases brought by other litigating programs. In addition, Supreme Court activity is dependent upon the types of cases which the Court decides to hear. Prior to November, 1988, the program reported only those items requiring a formal comment. On November 4, 1988, principal responsibility for legislative matters was transferred to this program. Workload projections now reflect all legislative matters received for review by the Division.

From October 1, 1988, through September 30, 1989, the Division filed 19 papers in the Supreme Court and 37 in the courts of appeals. Eighty-nine percent of all merits decisions were in full or partial accord with the Division's contentions. The Supreme Court reached the merits in eight cases. In line with the position advanced by the United States, the Court held that a city ordinance requiring non-minority prime construction contractors to subcontract at least 30 percent of the value of city contracts to Minority Business Enterprises violated the Equal Protection Clause of the Fourteenth Amendment. The Court also did what we suggested as amicus in a voting case by summarily affirming a lower court ruling that a change in a school board policy granting the school board president power to require the approval of two board members to place an item on the agenda, where formerly the request of a single member was sufficient, was not a change with respect to voting within the meaning of Section 5 of the Voting Rights Act. The courts of appeals rendered 28 merits decisions, 25 of which were in full or partial accord with the Division's contentions. For example, relying extensively upon the theory we articulated as amicus, the Fifth Circuit held that the district court did not abuse its discretion in modifying a school desegregation plan to eliminate all remaining mandatory reassignments of elementary school students. In an employment discrimination case, the Third Circuit held that an international treaty granting foreign corporations the right to selection of executive personnel of their choice does not license discrimination on the bases of race, national origin, or age. In another employment case, the Eleventh Circuit held, as we had urged it to, that a federal employer's refusal to give an Asian American female chemist a preference during a Reduction-In-Force did not constitute a Title VII violation, even assuming that the employer's decision had violated its own affirmative action plan. In a criminal case, the Seventh Circuit held that the district court erred in disqualifying the Attorney General from supervising the grand jury that is investigating complaints of racial harassment against a black FBI agent who had named the Attorney General in a civil suit. In a housing desegregation case, the Second Circuit adopted the position advanced by the program and upheld the contempt adjudications of a city and four of its city councilmen for refusing to enact zoning legislation in compliance with a consent decree remedying the city's segregative housing practices.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil rights prosecution......................	45	41	$3,178	45	41	$3,308	45	41	$3,308	...	...	...

Long-Range Goal: To significantly reduce police criminal misconduct as well as criminal misconduct of other public officials who violate the federal criminal civil rights statutes; eliminate or substantially reduce violent activity by private citizens which interferes with federally protected civil rights on the basis of race, religion, national origin or sex, particularly interference by organized, violent hate groups such as the Ku Klux Klan and Aryan Nations.

Major Objectives:

To expeditiously respond to and cause to be investigated all valid complaints of potential criminal civil rights violations.

To present potentially meritorious incidents to grand juries for investigation and, where warranted, for indictment.

To try cases in which indictments have been returned or informations filed.

To review and authorize criminal civil rights prosecutions proposed by the U.S. Attorneys.

To ensure uniform and effective application of the federal criminal civil rights statutes throughout the country.

To reduce the amount of time required to review and make prosecutive determinations on matters investigated and to initiate prosecutions.

Base Program Description: This program is responsible for the investigation and prosecution of violations of federal criminal civil rights statutes which were designed to preserve personal liberties. Two of these laws, passed during Reconstruction, prohibit persons from acting under color of law, or in conspiracy with others, to interfere with an individual's federally protected rights, were amended in 1988 either to provide for greater penalties when violated (18 U.S.C. 242) or to apply to a broader class of victims (18 U.S.C. 241). In addition, the program assumed enforcement authority for a statute enacted in 1988, 18 U.S.C. 247, that proscribes interference with persons in the exercise of their religious beliefs, and the destruction of religious property, under circumstances involving interstate travel or the use of a facility or instrumentality of interstate commerce. Other statutes enforced include those which prohibit the holding of individuals in peonage or involuntary servitude, or the use of force or threats of force to injure or intimidate any person involved in the exercise of certain federal rights and activities. About 3,000 of the approximately 7,800 complaints and inquiries received each year are fully investigated by the Federal Bureau of Investigation (FBI). Line attorneys and paralegals are responsible for reviewing the complaints and investigations and making recommendations for further action. The results of approximately 50 to 55 investigations are presented to federal grand juries each year for additional investigation or indictment, and approximately 30 cases are tried annually. The Division continues to work closely with U.S. Attorneys on civil rights prosecutions, whenever their resources permit. Experience demonstrates that prosecutions handled jointly by this program and U.S. Attorneys' staffs have a greater likelihood of success. Program attorneys are familiar with the substantive issues that repeatedly arise while the Assistant U.S. Attorneys are familiar with local court practices. The seriousness of criminal civil rights violations and the need in a free society to bring sanctions to bear when such violations occur in order to maintain public confidence in our system of justice, demand that every effort be made, consistent with available resources, to prosecute all meritorious cases in which sufficient evidence exists to establish a violation.

Accomplishments and Workload: Accomplishments of the Civil Rights Prosecution program are presented below:

			Estimates	
Item	1988	1989	1990	1991
Complaints Received	7,603	8,053	8,053	8,053
Complaints Reviewed	6,968	8,133	7,584	7,584
Matters Investigated	2,892	3,177	2,923	2,923
Matters Terminated	2,743	3,138	2,876	2,876
Cases Filed	43	59	52	52
Cases Closed	41	48	48	48
Average time to close without prosecution (in months)	2.6	2.3	2.8	2.8
Average time to file a case	17.6	14.6	13.0	13.0

Workload estimates for 1990 and 1991 are, in some instances, below 1989 actuals. Increases in productivity in 1989 may be attributable to greater availability of attorneys who, in 1988, were involved in matters that consumed one-fourth of all grand jury activity that year, but which were completed by 1989. In addition, the ratio of pleas to convictions obtained in the program's cases has been increasing notably in the past two years, allowing attorneys to resolve matters more quickly, as shown by the increase in the number of cases closed. However, the positive influence of these factors may be short-lived and potentially offset in the future by current trends or events -- (1) the expanded and changed enforcement responsibilities being assumed by the program (enforcement of a newly-enacted statute and others amended with enhanced penalties, as well as the implementation of mandatory Sentencing Guidelines) and (2) by the need to train personnel hired to fill vacancies resulting from attrition.

Furthermore, as a result of management initiatives, the program is reducing the time it takes to bring a matter to prosecution. As a result, it may take longer to review those matters that do not have prosecutive merit. In addition, the program has established a task force to monitor acts of racial violence committed by Skinhead gangs. It should be noted that the unusually high number of 59 cases filed in 1989 may not be the most viable indicator for future litigation activity; to some extent, the high figure is attributable to the substantial number of pleas that often result from racial violence cases; and, in 1989, the program prosecuted more than twice the number of racial violence cases than in any prior year. Thus, projected activity is based upon the average of the past four years (1986-1989).

During 1989 the program received over 8,000 complaints alleging criminal interference with civil rights, approximately 3,200 of which were investigated by the Federal Bureau of Investigation. The results of 40 investigations were presented to federal grand juries; 26 indictments were returned and 33 informations were filed charging 84 defendants, including 21 law enforcement officials. Trials were held in 23 cases, resulting in conviction of 23 defendants and acquittal of 10 defendants. In addition, 68 defendants pled guilty to violations of criminal civil rights statutes leading to an overall success rate of 87 percent.

Incidents of racial violence continue to receive priority for prosecution. In fact, during 1989 the program prosecuted almost twice as many defendants, and more than twice as many cases, as in any preceding year. In New Jersey a local television news reporter and his mother pled guilty to intimidating a young Chinese woman who had signed a real estate contract for the purchase of a townhouse that the defendants were also interested in buying. They had made threatening telephone calls to her, spray painted racial epithets on the door of the town house, and had placed at an adjacent apartment the carcass of a dead chicken with a threatening note inside. The son received a four-month prison term and both defendants are to serve extensive probationary terms and a combined 1,500 hours of community service, in addition to paying a $5,000 fine and $4,000 in restitution to the victim.

In January 1989, after almost five years of litigation that involved repeated appellate reviews, the program was successful in convicting, through trial and guilty pleas, all ten Ku Klux Klan members who had been indicted for interfering with a march held by the Southern Christian Leadership Conference in Decatur, Alabama in 1979. Six of those pleas were obtained on the eve of trial. In California, a Skinheads sympathizer was tried and convicted for interfering with the housing rights of a black family by burning a cross at their home. The victims had resided in the neighborhood for ten years and had been active in the local NAACP. In Texas, 16 persons associated with a skinhead group called the Confederate Hammerskins were charged with threatening blacks and Hispanics for using a public park and for vandalizing Jewish properties; eight of those defendants pled guilty.

Six defendants in New Mexico pled guilty to conspiring to interfere with the housing rights of black university students in a matter which continued to be investigated after two other defendants were indicted last year for this same incident. In Indiana, two defendants pled guilty and two others were tried and convicted in a housing interference case; fearing a drop in property values, they had allegedly painted racial epithets on a house in their neighborhood that a black family had sought to purchase. As a result of the vandalism and protesting phone calls to the seller and real estate agents, the victims decided not to purchase the house. In addition, two men, including a leader of a local Klan chapter, pled guilty to beating a black man in the home that he shared with a white male in North Carolina.

Complaints alleging official misconduct, which account for the vast majority of the complaints received by the program, resulted in three Puerto Rico narcotics police officers pleading guilty to shooting at a young couple who had been parked in a secluded area. The officers, all of whom were inebriated at the time, had failed to identify themselves as police officers and shot at the couple when they tried to flee from the officers' approach; one of the victims was injured and rendered a paraplegic as a result. A fourth officer, who had shot the gun that wounded the one victim, had pled guilty to local charges and is serving a 12-year prison term. Two sheriffs deputies and a civilian in Georgia were indicted when the victim, who had been brought in for questioning regarding an alleged theft from the civilian, was beaten by the civilian in the presence of the deputies in order to coerce a confession; all three defendants were tried and convicted. A police officer in Cleveland was indicted and convicted for punching a woman in the mouth and for filing false charges against her. The officer had ordered the victim, who was parked and waiting to pick up her granddaughter from school, to move her car. When the victim did not move as rapidly as the officer desired, he assaulted her. Two New York City Transit police officers were convicted on eight counts of conspiring to violate the rights of citizens by intentionally making baseless sex abuse arrests of blacks, Hispanics and Asians. Four West Virginia law enforcement officers, two deputy sheriffs and two local police officers were charged with beating a victim while he was in custody and handcuffed. They were also charged with offenses arising from their efforts to obstruct the investigation and to file false charges against the victim to cover up his beating. All four officers were convicted at the trial. In New Jersey, a woman licensed to run a home for the mentally retarded was charged, in an eight count indictment, with causing the death of a resident who had been tied to his bed, gagged, and beaten, and with perjury.

After last year's Supreme Court opinion in United States v. Kozminski, et al., which set the standard for prosecuting involuntary servitude cases, i.e., that the defendant must use physical or legal coercion to compel the victim to work against his will, the Kozminski defendants pled guilty to other charges and were ordered to pay $6,000 in fines and $34,000 restitution to the victims. The Supreme Court also denied certiorari in a second appeal taken from the involuntary servitude conviction of seven members of a Michigan religious cult whose practices resulted in the physical abuse of many children, including a young boy who was beaten for refusing to work and who later died from his injuries. There has been a dramatic change in the numbers of involuntary servitude matters reported to and investigated by the program over the past five years.

In 1988 and 1989, the number of involuntary servitude investigations dropped by 70 percent compared to the number that were conducted in 1984, which was the peak year over a ten-year span. Of those complaints, those that involved migrant workers declined even more substantially — in 1989 the number of investigations of that nature was about 7 percent, and in 1988 less than 11 percent, of the 1984 number. Thus, it appears that one of the program's long range goals has been achieved, significantly reducing peonage and involuntary servitude violations, especially those affecting migrant workers.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Special Litigation............................	35	32	$2,821	35	32	$2,940	35	32	$2,940	...	...	...

Long-Range Goal: To establish and protect constitutional rights of institutionalized persons, mentally and physically handicapped persons of all ages, and persons confined in state and local prisons and jails and enforce federal laws prohibiting racial discrimination in all public facilities such as prisons and jails.

Major Objectives:
To investigate, upon reasonable cause, the conditions of confinement and treatment provided to persons in publicly operated institutions; obtain voluntary compliance in correcting any constitutional deficiencies or other violations of federal law; and, as a last resort, to initiate litigation on behalf of such persons when egregious conditions are found to exist.

To initiate and/or participate in litigation designed to remove racial discrimination from public facilities; establish constitutionally acceptable conditions of confinement, care and treatment of institutionalized populations; and, remove discrimination against handicapped persons.

To ensure compliance with existing judgments or consent decrees.

Base Program Description: This program is responsible for the enforcement of the Civil Rights of Institutionalized Persons Act (CRIPA) which authorizes the Attorney General to investigate and initiate civil actions on behalf of persons confined to publicly operated institutions wherein flagrant conditions deprive them of their constitutional rights. Such actions may be initiated only after appropriate state or local officials have been afforded a reasonable opportunity to voluntarily remedy unlawful conditions of confinement and have failed to do so. Persons involved include inmates of state prisons and local jails; clients of publicly operated mental health, mental retardation and juvenile detention centers; and, residents of nursing homes, and facilities for the physically handicapped and chronically ill. The program also has the responsibility of enforcing compliance with federal laws which prohibit discrimination in public facilities on the basis of a person's race, color, sex, religion or national origin. The Division may participate in private litigation to establish constitutionally acceptable conditions within an institution, and initiate and participate in litigation which has as its purpose the eradication of discrimination directed against handicapped persons. The program also initiates litigation when investigation indicates that a public facility practices racial discrimination in violation of federal civil rights laws. In addition, staff members monitor compliance with judgments or consent decrees previously entered in the cases on its docket by conducting on-site inspections, reviewing court-mandated reports, authorizing FBI investigations and, in appropriate cases, continuing contact with court-appointed monitors responsible for assuring compliance.

Accomplishments and Workload: Accomplishments of the Special Litigation Program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Cases Filed	3	3	5	6
Cases Closed	1	3	4	5
Cases Pending (end of year)	33	33	34	35
Matters/Complaints	1,089	1,201	1,250	1,250
Matters/General	118	121	130	130
Congressional/White House Referrals	51	46	50	50
Major Institutional Investigations Initiated	2	4	5	6
Major Institutional Investigations Closed	3	11	6	5
Major Institutional Investigations Pending (end of year)	36	29	28	29

During 1989, the program expended major resources and efforts on completing pending investigations and monitoring compliance with the many consent decrees obtained pursuant to the Civil Rights of Institutionalized Persons Act (CRIPA). These efforts revealed, in many instances, conditions at facilities which continue to fall below constitutional minima as well as serious difficulties in complying with consent decree requirements and related court orders. As a result, it was necessary to utilize more resources than had been previously anticipated on these matters to ensure that appropriate corrective action was taken. In one of the program's major CRIPA cases concerning the Fairview Training Center, a facility for mentally retarded persons in Salem, Oregon, a consent decree was successfully negotiated and was signed by the State and the U.S. and filed with the court in February 1989. The consent decree was subsequently entered as an order of the Court on April 14, 1989 and the program is closely monitoring the State's efforts in complying with the terms of the decree. The program also filed a complaint and accompanying consent decree in U.S. District Court in San Francisco, California requiring the County of Alameda to make improvements at the Santa Rita jail to ensure that the jail's inmates are incarcerated under conditions that comply with constitutional requirements. In another matter, the program filed a complaint alleging that conditions at the Crittenden County jail in Marion, Arkansas, fail to comply with constitutional requirements. Discovery is continuing in one other case involving the Buffalo Psychiatric Center in Buffalo, New York and additional enforcement action is contemplated in several other cases where states have not satisfactorily complied with consent decree requirements. In addition, the program initiated four new investigations pursuant to CRIPA. Three involve mental health institutions and one concerns a prison. Also, during the period, five investigations have been closed and three cases were dismissed, due to corrective actions taken by appropriate officials to remedy deficiencies identified by the U.S. during the course of CRIPA investigations. Currently, there are 17 CRIPA cases which are being monitored for compliance with consent decrees.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Voting....................................	68	66	$4,110	68	66	$4,287	84	74	$6,031	16	8	$1,744

Long-Range Goal: To prevent and eliminate systemic barriers to the full participation by racial and language minorities and overseas, blind, handicapped, disabled and illiterate citizens in the electoral process and to achieve effective remedies for those citizens in specific instances where their right to vote has been denied or abridged.

Major Objectives:

To prevent through the Section 5 preclearance program the implementation of new standards, practices and procedures that have the purpose or effect of denying or abridging racial and language minorities' right to vote throughout the 909 counties specially covered by the Voting Rights Act (VRA).

To assure the assignment of federal observers to those polling places within the specially covered counties where observer personnel are needed to document misdeeds in the electoral process or to ensure confidence of the minority community in the electoral process and actions of individuals conducting the elections, and provide a federal alternative for voter registration when the actions and practices of local authorities discriminatorily deny racial and language minorities' access to the voter registration polls.

To defend lawsuits that are brought against the United States under the special provisions of the VRA to preclear voting changes and to terminate coverage, and initiate lawsuits against jurisdictions that violate the preclearance requirements of Section 5.

To discover and remedy methods of conducting elections that dilute the voting strength of racial and language minorities, and actions of state and local election and voter registration administrators that prevent a full and fair exercise of the franchise by racial and language minorities, overseas citizens, and voters who are elderly, handicapped, blind, disabled, or are unable to read or write.

Base Program Description: This program is divided into two components. The Section 5 component, staffed by equal opportunity specialists under the supervision of attorneys, reviews changes in voting practices or procedures required to be cleared before they can be implemented by the jurisdictions that are specially covered under the VRA, their political subunits, and the states in which they are located. If a jurisdiction fails to carry its burden of proving that a change does not have a discriminatory purpose or effect, the program recommends to the Assistant Attorney General that he interpose an objection to the change. As an alternative to administrative preclearance, the VRA provides that jurisdictions may seek judicial preclearance through declaratory judgment suits.

The litigation component of the program handles these suits, brings suits against jurisdictions which implement voting changes which have not been precleared, and handles suits under the provision of the Act that allows jurisdictions to seek a judicial determination that they no longer need to be subject to the preclearance requirement. The litigation component also brings lawsuits to enforce the Act's minority language requirements, and to enforce other provisions of the Act and other voting laws that apply nationwide to remedy discriminatory practices and procedures relating to voting and voter registration. Enforcement of the 1975 exclusive English prohibition is handled through the administrative and litigative enforcement mechanisms described above. Both components assist in determining where federal observers are needed to observe election day activities (to report indications of interference with or abridgment of minorities' voting rights). In addition, staff members assist local elections officials in understanding their responsibilities for assisting language minorities and voters who are elderly, handicapped, blind, disabled or are unable to read or write in exercising their voting rights.

Accomplishments and Workload: Accomplishments of the Voting program are presented in the following table:

Item	1988	1989	Estimates 1990	1991
Defensive Litigation	5	3	4	6
Offensive Litigation	[illegible]	129	111	159
Section 5 Submissions Received	4,655	3,272	3,890	5,000
Section 5 Submissions Processed	4,655	3,272	3,890	5,000
Matters Received	79	62	55	70
Matters Terminated	50	45	40	50
Cases Filed	17	10	10	18
Cases Closed	19	15	10	11

Workload for this program activity cannot be measured by sheer numbers alone, because of the difficulty of each individual case. The reduction, during the last two years, in the number of cases filed, cases closed, and matters terminated is a reflection of their growing complexity. For example, over one half of the attorney staff was devoted to remedying discrimination in the election processes of just four jurisdictions: Arizona, Louisiana, New Mexico, and Los Angeles County, California. Similar, complex, personnel intensive litigation is undoubtedly the trend for the future. The 1990 estimates reflect that fact.

During 1989, submissions under Section 5 of the Voting Rights Act were received at a higher rate than the 3,041 submissions received during 1985, the last post-Presidential election year. The submissions reviewed during 1989 involved 143 changes to which objections were interposed including city, school district and county districting plans, changes in the Georgia and Louisiana judicial systems where judges are elected, the use of staggered terms, numbered posts and majority vote requirements in at-large elections, annexations to cities, run-off election procedures, and an absentee voting program for Dallas County, Texas. The program participated in ten lawsuits during 1989 (six as plaintiff, four as amicus curiae). Of the cases filed as plaintiff, two were filed under Section 2 and minority language provisions of the Voting Rights Act to challenge bilingual election procedures in the States of Arizona and New Mexico, two charged that the at-large method of election for a South Carolina city and North Carolina county board of education and county commissioners violates Section 2 of the Voting Rights Act, one was brought to enforce Section 202 of the Voting Rights Act which allows certain voters who move within thirty days of a Presidential election to vote based upon prior residence, and one was brought to enforce the Uniformed and Overseas Citizens Absentee Voting Act for a special Congressional election in Mississippi. The amicus participation successfully urged a three-judge court to use its remedial authority to enter a settlement proposal that provides minorities an opportunity to fairly participate in judicial elections in the State of Mississippi; urged the application of Section 2 to judicial elections in Georgia; responded to questions from other courts regarding the application of Section 5 to a referendum issue in Georgia; and, the application of Section 2 to issues involved in a challenge to the method of election in Birmingham, Alabama.

Consent decrees entered in 1989 included three actions under Section 2 that challenged the at-large method of electing North Carolina Boards of Education and county commissioners, and a South Carolina city council. Three actions pursuant to the Uniformed and Overseas Citizens Absentee Voting Act that facilitated absentee voting by overseas citizens in Florida, Mississippi and Wyoming special Congressional elections; one which compelled review under Section 5 of voting changes made by 30 Mississippi county school boards; one which resolved all of the claims in the program's lawsuit against the State of Arizona and Apache and Navaho Counties under Section 2 and the minority language provisions of the Voting Rights Act; and, one which resolved our claims against the State of New York under Section 202 of the Voting Rights Act. Under the special provisions of the Voting Rights Act that authorize the Attorney General to assign federal observers to monitor elections to ensure that the right to vote and to have the vote properly counted is not denied during the election process, 523 observers were assigned to cover elections in 17 counties in eight states during the year. In addition, the program continued to maintain contact with the Department of Defense's Federal Voting Assistance Program, the Federal Election Commission's National Clearinghouse on Election Administration, the Bureau of the Census, and the Office of Personnel Management to coordinate with and assist the personnel in those agencies who have responsibility for implementing programs relating to statutes enforced by the Division. Most significantly, the program entered into a memorandum of understanding with the Bureau of the Census to devise the most efficient methods and procedures by which Census will provide services for the program's review and analysis, beginning in 1991, of over 5,000 redistricting plans adopted by states, counties, cities, school boards and other jurisdictions to comply with Constitutional one person, one vote requirements.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Voting......................	68	66	$4,287	84	74	$6,031	16	8	$1,744

An increase of 16 positions (5 attorneys, 4 paralegals, 3 equal opportunity specialists, 4 clericals) and $944,000 for 1991 will allow the program to meet its basic responsibilities for enforcing the provisions of civil rights voting laws. The resources requested here are a direct result of the additional Section 5 workload generated by the 1990 Census and will provide the program with adequate continuing support to actively pursue investigations and litigation of complex Section 2 violations.

Three of the new attorney positions would be devoted to establishing a higher level of expertise in legal theory and analysis for the review of complex redistricting plans and other voting changes that require analytical development and presentation tantamount to that required from the program's litigating attorneys for the program's litigation recommendations. The submission of complex, theoretically difficult voting changes has become routine since the Voting Rights Act was amended in 1982, especially as jurisdictions have begun to adopt new and imaginative variations on traditional methods of electing officials. All of the program's attorneys will continue to be involved in the analysis of Section 5 submissions on an as-needed basis, and will devote significant portions of their time to Section 5 analysis during the period 1991-1993 when the largest number of redistricting plans begin to be submitted by jurisdictions that need to conform voting district populations to one-person, one-vote standards based on data from the 1990 Census. Three of the new attorney positions will allow such expertise to be applied to the Section 5 process on a continuing basis, with the added benefit of requiring the program's cadre of litigating attorneys to be interrupted in their focus on the program's litigation only during those times when there is an unusually heavy workload of difficult Section 5 submissions.

In order to make the most effective use of the expertise that the program has developed in litigating cases under Section 2 of the Voting Rights Act to combat the dilution of minorities' right to vote, the two remaining new attorney positions will directly augment the program's litigation efforts in lawsuits against states, large counties and cities (lawsuits such as the pending action that against Los Angeles County, California, and the recent action contesting the method of conducting judicial elections in Mississippi, require three to five attorneys each). These two additional attorneys also would join the existing permanent staff in a concerted effort by the program to assure, through litigation, that minorities' voting rights are safeguarded during the first post-Census elections under newly adopted redistricting plans in jurisdictions that are subject to Section 5 by: (1) obtaining court orders where necessary to compel those jurisdictions to obtain the requisite Section 5 preclearance of their redistricting plans prior to conducting an election under the newly adopted plans; and (2) defending lawsuits brought against the Attorney General by jurisdictions seeking judicial preclearance of redistricting plans to which the Attorney General has interposed an objection under Section 5. The litigation of these cases will begin in 1991 when redistricting plans are formulated by the State of Mississippi and its counties prior to their major quadrennial primary and run-off elections, and will continue into 1992 when, following Mississippi's general election, all 254 counties in Texas as well as all other states that are specially covered under the Voting Rights Act finalize their redistricting plans and use them in their statewide and Congressional primary elections, and many of the counties, cities, school districts and other smaller political units in those states similarly seek to adopt and use new redistricting plans in local primary elections. New attorneys would also participate in the program's review of redistricting plans that are submitted under Section 5 in preelection field investigations and election-day coordination that will be necessary to the assignment of federal observers to monitor polling place procedures under Section 8 of the Voting Rights Act when minorities qualify as candidates for office from newly drawn districts that allow minority voters a fair opportunity to elect persons of their choice.

The four paralegal specialists are essential to the conduct of the increasingly complex Section 2 fact investigations and analyses and to prepare trial exhibits to support the program's litigating attorneys. This will be especially important in cases brought in all parts of the nation attacking discriminatory redistricting plans that dilute minorities' voting rights where critical evidence must be introduced regarding the location of minority concentrations as shown by 1990 Census data, and regarding the impact of district boundary line changes in light of

1990 Census data. Section 2 dilution lawsuits require such substantial research, discovery and analysis that during the first 6 months of 1989 the program's paralegals devoted virtually all of their time to just four of the program's pending cases. Increased automation will create an even greater need for support staff to handle the increased volume of available factual data and analysis capabilities in Section 2 dilution cases. The paralegal staff also conducts a crucial element of the standard preelection surveys that are performed by the program to determine where and in what numbers federal observers are necessary to monitor polling place procedures. The additional paralegals are necessary to allow the program to conduct the expanded surveys that will be required in the light of the expanded opportunities for minorities to achieve election in fairly redistricted jurisdictions following the 1990 Census.

Three Equal Opportunity Specialists positions are requested to provide a much-needed and long-awaited permanent cadre to process and analyze the tens of thousands of voting changes contained in the thousands of submissions received each year under Section 5 of the Voting Rights Act. These positions will enable the program to increase its staff of trained Equal Opportunity Specialists that continues to be augmented by three-month student volunteers and other full-time temporary personnel. (The number of student volunteers available to serve in these positions usually is fewer than needed and the program's investment in extensive training of all of these temporary persons to perform Section 5 analysis is swiftly lost when they return to school or leave to seek permanent employment.) These additional equal opportunity specialists will result in an immediate benefit to the program since they will handle the analysis of many of the simpler, routine voting changes during their on-the-job-training, allowing the present permanent staff to focus their expertise on the more complex submissions including those involving redistricting plans. By 1992 these newer specialists will have gained expertise sufficient to allow them to perform the review of redistricting plans submitted for the programs' analysis.

Two of the four requested clerical positions are needed to increase the current permanent staff, of four, that is required to process the thousands of Section 5 submissions from receipt through analysis to necessary post-decisional operations (e.g., computer and microfiche entry, updating, etc.). This requested increase for processing Section 5 submissions is based on demonstrated needs that are projected to continue. We expect that the extraordinary record number of submissions received by the program for review under Section 5 in 1988 will be nearly met in 1991 and far exceeded in 1992, and that submissions will continue to be received at increased levels thereafter. It is essential that the program have an adequate permanent staff to receive, record, route and retain this continuing flood of submitted voting changes. (At present, part-time stay-in-school personnel are performing many of the tasks for which full-time, mature personnel are needed--stay-in-school employees would continue to be utilized, but in their appropriate role, in support of the permanent staff.)

The remaining two clerical positions will be utilized to: (1) operate the newly acquired map plotter, identical to those used by the Bureau of the Census and set to the same specifications as those used by Census, that will allow the program to produce Census maps needed in analyzing districting and redistricting plans of states, counties, cities and other jurisdictions; in determining whether at-large and other methods of election used by jurisdictions dilute minorities' voting strength; and, (2) in investigating whether other voting-connected practices, such as the location of polling places and of voter registration and/or satellite balloting sites, result in the denial or abridgment of minorities' right to vote. (There will be between 10 and 200 1990 Census maps for each of the 909 counties that are specially covered under the Voting Rights Act--compared to three to five Census maps for most counties in the 1980 Census--which the plotters will allow the program to produce as they are needed, thereby eliminating the more expensive alternative of purchasing and warehousing at the onset the 40,000 to 50,000 paper maps that Census estimates will be needed by the program throughout the decade, and then continuing to store "clean" copies of the Census maps, as has been done with the less voluminous 1970 and 1980 Census maps.)

Beginning in 1991 the program expects that over 5,000 redistricting plans adopted by states, counties, cities, school boards and other jurisdictions to comply with Constitutional one person, one vote requirements, will be submitted to the Attorney General for preclearance under Section 5 of the Voting Rights Act. Based upon the number of redistricting plans submitted after the 1980 Census, the increases that have occurred since then in the number of cities, school districts and other jurisdictions that have adopted districting plans, the fact that most jurisdictions will need to have their redistricting plans in place to use in elections in 1991 and 1992, and the increases in Section 5 submissions that have resulted from jurisdictions' increased awareness of the preclearance requirement of federal law, the program expects that 1,200 redistricting plans will be submitted for review in the last half of 1991, and that 1,600 redistricting plans will be submitted in 1992. Thereafter, the program anticipates the submission of 800 redistricting plans in 1993, 500 redistricting plans in 1994, and approximately 200 redistricting plans in each of the following four years. The extraordinary temporary workload increase that will result from the need for processing and analyzing of redistricting plans in 1991 and 1992 can be met by contract employees. Therefore, an additional program increase of $800,000 is requested to provide resources for the hiring of contract employees. These employees will be provided an intense three month training program during the first quarter of 1991. While the records and production staff necessary to this effort can be hired in the manner usual for such positions, the contract analyst staff will need to be specially recruited from, for example, among populations such as graduate students in political science, in order to assure that they are competent to perform the tasks required of them under such unusual circumstances.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Employment litigation........................	63	59	$4,341	63	59	$4,526	63	59	$4,526	...	...	...

Long-Range Goal: To reduce discrimination in employment by state and local governmental units and federal contractors.

Major Objectives:
To develop the legal principles necessary to create a nationwide climate where voluntary compliance with laws against discriminatory employment practices can be achieved.

To secure compliance with Title VII through litigation and enforcement of consent decrees in the public sector, and based on referrals from the Equal Employment Opportunity Commission (EEOC) and the Office of Federal Contract Compliance programs in the public and private sector, respectively; participate in private suits when the government's position is important to the development of case law; and, ensure compliance with existing court orders.

To issue right-to-sue notices to persons who have filed public sector charges with the EEOC.

Base Program Description: This program addresses the problems of discriminatory employment practices of state and local governments and private federal contractors. It enforces federal laws and orders which prohibit discriminatory employment practices which result in the denial of equal employment opportunities because of race, color, religion, sex, national origin or [illegible]p. Approximately 10 million jobs involved in the public sector are subject to Title VII and upwards of 30 million jobs in the private sector are subject to Executive Order

11246. Program staff investigate and, when necessary, initiate litigation with respect to problems peculiar to employment discrimination. Litigation is used only when negotiation does not result in voluntary compliance through the entry of court approved consent decrees. All suits, whether in the public or private sector, seek to remedy all forms of purposeful discrimination and practices having a discriminatory impact such as those that result from the use of non job-related tests and other selection and promotional practices and standards which have unlawful adverse impact upon racial, ethnic, and religious minorities or upon females; abuses of managerial discretion; and, discriminatory training systems and programs. Major elements of relief sought include: relief for individual victims of unlawful discriminatory practices in the forms of reinstatement, promotion and/or back pay; affirmative recruitment efforts directed towards minorities and females or other victims of the employer's discrimination; validation of tests and other selection and promotional practices; and, elimination or change of other employment practices having unnecessary discriminatory effects. The Division is currently seeking new and innovative methods to remedy the problem of employment discrimination. Litigation that is initiated is concluded by consent or litigated decrees which must be monitored on a continuing basis for several years to ensure that defendants comply with all requirements imposed by the courts.

Accomplishments and Workload: Accomplishments of the Employment Litigation program are presented in the following table:

			Estimates	
Item	1988	1989	1990	1991
Agency Referrals	79	97	85	60
Investigative Matters Received	41	18	20	40
Cases Commenced	10	10	15	18
Cases Terminated	63	12	10	30
Right-to-Sue Notice Requests Received	1,465	1,485	1,500	1,600
Right-to-Sue Notices Issued	1,480	1,474	1,500	1,500
Decrees Enforced	152	140	160	160
Decrees Obtained	11	11	15	20

Prior to 1989, EEOC referred to the program a significant number of individual charges of discrimination that procedurally had not received careful scrutiny by that agency. The result was a large number of referrals but very few that were acted upon substantively by this program. Most of these referrals were routinely handled by the issuance of a right to sue letter and returning the file to EEOC.

Beginning in approximately 1989, EEOC referrals began to decline in quantity but improve in merit. The result has been that the program now receives, on average, four to five referrals a month, of which three to four are meritorious. These referrals have placed increased and significant demands on the program's attorney staff. All new attorneys assigned to the program now receive at least three of these referrals to pursue to a conclusion. With many of them now resulting in suit recommendations, we are finding that each requires approximately nine months to resolve. While one referral is not a full time undertaking, three referrals will occupy a substantial portion of an attorney's time over the course of a year. In addition, a number of these referrals result in pattern or practice suits as well as suits seeking relief on behalf of the individual who filed the charge.

Since the program is now coming out of the tremendous resource commitment required by Stage II proceedings in six major settlements negotiated over the last four years, we are projecting that resources that have been devoted to Stage II matters will now be freed up to pursue pattern or practice investigations. Accordingly, we are projecting an increase in investigations over the next several years.

During the period, the program continued its effort to identify individual victims of discrimination in the post-liability phase of eight pattern and practice law suits. The program filed ten law suits, resolved or partially resolved nine law suits through the entry of consent decrees, obtained two judgments after litigation and filed three motions to enforce consent decrees. Significant highlights of these cases include: a consent decree with the City of Chicago Police Department providing back pay relief of nine million dollars to 666 black and female victims of promotion discrimination; a consent decree with the Mississippi Department of Public Welfare providing three million dollars in back pay for approximately 850 victims of hiring discrimination in three job classifications; a consent decree with the Hawaii Department of Labor Industrial Relations, our first employment discrimination suit brought on behalf of a Filipino, providing $25,000 in back pay and a job offer; a consent decree with the City of West Haven resolving hiring discrimination claims on the basis of sex and providing $120,000 in back pay for victims of discrimination; and, a suit against the State of New Jersey which seeks to end the use of an alleged unlawful examination used to select law enforcement officers for municipal police departments throughout the State.

Title VII referrals from EEOC constitute an important part of the program. These referrals result from charges filed by individuals alleging employment discrimination by state or local government employers on which the EEOC has found cause and has been unable to obtain an acceptable conciliation agreement. The program received 97 referrals from the EEOC in 1989. Of the 51 investigative matters pending at the end of 1989, 19 involved EEOC referrals. Six of the ten cases filed by the program in 1989 were based on EEOC referrals. One of these, filed against Masontown Borough, Pennsylvania, resulted in a consent decree providing nearly $105,000 in back pay to three female victims of alleged sex discrimination in employment.

In the area of test validation, the program continues to work in conjunction with test development experts in the preparation of a valid entry level examination for law enforcement positions. In addition, important entry level and promotional test development projects for fire departments continue in San Francisco, Buffalo and New Jersey.

The program's responsibility to monitor decrees has increased significantly in the past few years. Approximately 150 decrees for which the program has enforcement responsibilities will be pending at the beginning of 1990. Until 1988, the number of cases with new decrees increased each year at a rate which far exceeded the number of cases in which decrees were dissolved.

Recognizing the increasing size of the program's compliance obligations and the fact that many compliance problems can be addressed and resolved more effectively when they are discovered in a timely manner, the program refined and improved its compliance monitoring efforts. It is believed that these improvements will be advantageous to all parties involved by ensuring that: (a) defendants file reports regularly and on time; (b) reports are analyzed promptly; (c) the program maintains a continuity of presence with the defendants that enhance the defendant(s)' overall commitment to the requirements of decrees; and, (d) reports are compiled into a uniform format that allows comparison with the performance of comparable defendant employers and prompt responses to inquiries from program managers, other responsible officials in the Division and Congressional inquiries.

Where the program has been unable to secure voluntary compliance with outstanding decrees, appropriate enforcement proceedings have been initiated. As a result, the program has ongoing litigation with a number of jurisdictions including, Birmingham, Alabama; Jackson, Mississippi; the State of New Jersey; Nassau County, New York; Buffalo, New York; and, San Francisco, California. Substantial resources are devoted to these cases as they involve complicated and important legal and factual issues.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Coordination and review........................	39	37	$2,776	39	37	$2,904	38	36	$2,904	-1	-1	...

Long-Range Goal: To achieve consistent and effective enforcement of various laws and regulations prohibiting discriminatory practices in federal programs and programs receiving federal financial assistance; maximize use of existing federal, state and local civil rights enforcement resources; and, minimize the costs associated with federal civil rights programs while maintaining the level of responsiveness to citizens who feel that their civil rights have been violated.

Major Objectives:
To maintain continuing oversight and control of all Executive agencies covered by Executive Order 12250 and liaison with other Department organizations and other federal agencies involved in civil rights litigation.

To review, evaluate and monitor, on an annual basis, implementation plans submitted by Executive agencies; review proposed or final agency regulations or substantive amendments to existing regulations promulgated under statutes subject to the Executive Order; and, provide guidance in the form of prototype regulations for implementation of Section 504 of the Rehabilitation Act of 1973, as amended, as it concerns federally conducted programs.

To provide staff support to the Assistant Attorney General for Civil Rights as Chairman of the Interagency Coordinating Council and as a member of the Architectural and Transportation Barriers Compliance Board.

To provide assistance to Departmental organizations as well as other federal agencies to enable them to implement the requirements of Section 504 regulations covering their programs and activities.
To provide support to the Office of the Solicitor General, the Civil Division, and other federal agencies in various lawsuits which includes providing advice on the strategy of a case or on particular motions or briefs, writing pleadings and affidavits, preparing court requested status reports, answering interrogatories, and furnishing testimony.

Base Program Description: This program ensures that all federal Executive agencies effectively and consistently implement the nondiscrimination provisions of federal grant statutes prohibiting discrimination on the basis of race, color, national origin, handicap, religion or sex. Under Executive Order 12250, the program undertakes a diverse array of regulatory and administrative initiatives. The program reviews all new civil rights regulations for consistency, adequacy, and clarity; assists agencies on new civil rights plans; offers agencies training and technical assistance to improve their civil rights enforcement procedures and programs; and, promotes interagency information sharing and cooperation. In addition, support is provided to the Office of the Solicitor General, the Civil Division, and other federal agencies in various lawsuits. This assistance includes providing advice on the strategy of a case or on particular motions or briefs, writing pleadings and affidavits, preparing court requested status reports, answering interrogatories, and furnishing testimony.

Accomplishments and Workload: Accomplishments of the Coordination and Review program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Non-Regulatory Documents Generated	269	294	323	355
Responses to Citizens and Public Officials	215	224	246	271
Documents Reviewed as Part of Special Projects	354	211	232	255
Reviews Conducted of Agency programs	25	24	28	34
Delegation Agreements Developed or Implemented	10	2	4	4
Litigation Documents Prepared or Reviewed (Pleadings, Briefs, Interrogatories)	114	52	57	63
Technical Assistance Provided	775	797	877	965
Regulations Reviewed	72	73	82	70

The workload statistics are based upon the program's accomplishments for 1989. The data for 1990 are projected based on historical experience. The workload factors for this program have been revised to more accurately reflect its activities. "Non-Regulatory Documents Generated" was refined. Special projects (e.g., handling Office of Revenue Sharing (ORS) complaints, documents reviewed and generated as part of the program's efforts to assist other federal agencies implement Section 504 regulations effecting their programs and activities) are listed under "Documents Reviewed as Part of Special Projects." In addition, items requiring only cursory attention by the program are no longer counted. In some categories, 1988 workload was unusually heavy; projections for 1989-1991 have been adjusted to reflect more realistic workload demands

In 1989, the program oversaw the publication of a joint publication of notice of proposed rulemaking to amend Section 504 for federally-conducted programs and activities in 15 federal agencies federally-assisted programs to reference the Uniform Federal Accessibility Standards in place of the American National Standards Institute standards as the design standard to be followed in new construction or alteration; and, the civil rights implementation plans of 24 agencies as well as the civil rights statistical reports of 18 agencies. In addition, 42 regulations were received. Comments were made on 61 regulations, 24 were published as proposed rules and nine were published as final rules. A project to process complaints and compliance reviews that remained unresolved, when the ORS ceased operations, was continued; 31 were processed in 1989. Finally, 797 technical assistance contacts, including training seminars, were made in 1989.

Program Changes:	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Coordination and review	39	37	$2,904	38	36	$2,904	-1	-1	...

The reduction of one position and one workyear is associated with mandatory A-76 reductions.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Housing and civil enforcement.................	33	31	$2,342	33	31	$2,450	80	55	$4,950	47	24	$2,500

Long-Range Goal: To eliminate a significant portion of the illegal discrimination in housing opportunities and credit transactions related thereto; to eliminate a significant portion of the illegal discrimination in places of public accommodation; secure general compliance with the Equal Credit Opportunity Act (ECOA) and its implementing regulations; and, secure general compliance with federal statutes requiring nondiscrimination in the provision of municipal services.

Major Objectives:
To investigate compliance with and initiate litigation to enforce the Fair Housing Act and the ECOA, monitor final court orders resulting from such suits, and move for contempt of court or other relief where the facts warrant.

To initiate litigation, upon referral from the Department of Housing and Urban Development (HUD), to remedy local government bodies' noncompliance with their housing-related obligations under the 1974 Housing and Community Development Act.

To communicate equal housing and equal credit opportunity information to the public by liaison with federal, state and local enforcement agencies.

To investigate compliance with and initiate litigation to enforce the provisions of Title II of the Civil Rights Act of 1964 relating to public accommodations.

Base Program Description: This program is responsible for carrying out the Division's enforcement efforts related to the areas of fair housing, equal credit opportunity, provision of municipal services under federally funded programs and public accommodations. It is ranked as a major priority of the Division. In recent years the Division has placed increased emphasis on fair housing and equal credit opportunity enforcement activities and on working with the Department of Housing and Urban Development (HUD) to identify and bring to court persons and businesses operating in violation of the Fair Housing Act of 1968 and the Equal Credit Opportunity Act. With the passage of the Fair Housing Amendments Act of 1988, which became effective on March 12, 1989, the Division has substantially enhanced enforcement authority in the fair housing area and the emphasis on fair housing and equal credit opportunity enforcement activities has developed into one of the highest priorities of the Division. Considerable coordination with other federal agencies which have enforcement responsibilities in the housing and credit area is required, especially HUD. While in the past we have worked to coordinate enforcement activities with HUD, the importance of such activities has increased substantially under the Fair Housing Amendments Act of 1988. In addition to investigation and conciliation of housing complaints that HUD has had authority to undertake in the past pursuant to the 1968 Act, the new law creates a new administrative enforcement mechanism at HUD, part of which permits: (1) HUD to authorize the Department of Justice to seek prompt judicial relief when it is necessary to maintain the status quo while HUD completes its investigation and disposition of the complaint; and (2) parties to a HUD enforcement proceeding to elect to have the case tried in federal court by the Department of Justice. Thus, the need for very close coordination and cooperation between the two enforcement agencies has increased under the new law. Staff members also work closely with local U.S. Attorney's offices and the Federal Bureau of Investigation with respect to both housing and credit cases and public accommodations cases.

Accomplishments and Workload: Accomplishments of the Housing and Civil Enforcement program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Matters Received	286	305	650	650
Investigations Conducted	117	101	350	350
Matters Closed	152	42	200	200
Cases Filed	20	35	250	250
Cases Closed	20	15	50	50
Judgments/Decrees Obtained	14	17	100	100

The number of cases filed in 1989 increased significantly because of the new enforcement responsibilities assumed by the program as a result of the Fair Housing Amendments Act of 1988, which became effective on March 12, 1989. As noted above this new law significantly increases the authority of the program to combat unlawful housing discrimination. It requires the program to initiate new cases which come to it as a result of HUD authorizations to seek prompt judicial action as well as the federal court election option in the HUD enforcement scheme. The Division has no prosecutorial discretion with respect to these cases. The new law also significantly expands the enforcement authority of the program by (1) prohibiting for the first time discrimination against families with children and against handicapped persons, and (2) authorizing the program to seek monetary damages for victims of discrimination and civil penalties in pattern and practice fair housing lawsuits, a remedial authority that was not available under the 1968 Act.

For the period of October 1, 1988, until March 12, 1989, when the program's jurisdiction continued to be limited in the fair housing area to pattern and practice cases involving discrimination on the basis of race, color, national origin, sex and religion, six new fair housing cases were filed. The program also initiated a major public accommodations and equal credit opportunity suit against a large health club chain located on the east coast. For the period from March 12, 1989 until the end of the year, the program filed an additional 21 fair housing lawsuits, a substantial increase reflecting the start of the expected workload increase as a result of the 1988 Amendments to the Act. Twelve of these lawsuits were initiated pursuant to the program's pattern or practice authority; seven were prompt judicial action lawsuits filed at the request of HUD; and the remaining two cases were election lawsuits under the amended Act. In addition, the program is defending HUD in two suits which attack the constitutionality of the Amended Act and filed an amicus curiae brief in another case addressing one of the provisions of the Amended Act. Finally, from March 12, 1989 until the end of 1989, the program also filed a Title VI lawsuit upon referral from the Department of Health and Human Services, two additional Title II public accommodations lawsuits, and is defending the Department of Justice in a suit challenging the constitutionality of an important statute designed to compensate Japanese persons who were interned during World War II which is being implemented by the Civil Rights Division.

In 1990, when implementation of the new law will be operative throughout the year, projections based on the number of cases that HUD expects to process under its new enforcement authority indicate that the program will receive 225 new cases from HUD. It is important to note that these new cases are in addition to those brought under the program's traditional pattern and practice jurisdiction. Our additional substantive and remedial authority in these kinds of cases also will result in an increase in the overall workload of the program and the workload statistics reflect the expected increase in this aspect of the program's responsibility as well as that resulting from cases coming to us as a result of the HUD enforcement process.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Housing and civil enforcement..	33	31	$2,450	80	55	$4,950	47	24	$2,500

Under the Fair Housing Act of 1968, the Federal Government's ability to enforce the provisions of the law has always had two serious limitations in that the Department cannot: initiate cases where there is only evidence of a single incident of discrimination or discrimination involving one person, or to seek money damages in its "pattern and practice" cases. Not long after enforcement of the 1968 Act began, several courts interpreted the Act as not authorizing such a remedy in cases brought by the Attorney General. Consequently, the Department has been limited to seeking only injunctive relief in these cases. The practical effect of this limitation has been that a very high proportion of these cases settle by consent decree, many filed simultaneously with the complaint in the case, primarily because it has made very little sense for defendants to subject themselves to the adverse publicity and expense of litigation when the severity and burden of the relief sought is relatively moderate. Despite the limited enforcement authority provided by the 1968 Act, vigorous enforcement of the Division's responsibilities has been a high priority over the last several years.

The Fair Housing Amendments Act of 1988 addresses both of the limitations described above in that it provides the Department with new authority to litigate individual cases of housing discrimination upon referral by the Department of Housing and Urban Development (HUD) and to recover civil penalties and damages for victims of discrimination. A brief discussion of the new requirements of the Act follows:

1. For the first time HUD has enforcement authority over instances of individual complaints of discrimination. The Act created an Administrative Law Judge (ALJ) apparatus at HUD which gives the ALJs authority to impose damages and civil penalties against defendants found to have discriminated against individuals.

2. The new enforcement authority over individual complaints of discrimination impacts this Department in a major way. Before a case goes to an ALJ at HUD, either the complaining party (or an aggrieved party) or the defendant may elect to have the case heard in federal court rather than before an ALJ. When such an election is made, this Department must initiate the case within thirty days of the election. There is no prosecutorial discretion on the Department's part in such circumstances.

3. This Department is authorized to recover monetary damages for aggrieved persons and civil penalties in both its pattern or practice suits, as well as any suits on behalf of individuals which come to it as a result of the election discussed above. This authority will most certainly result in a major increase in the litigative activity involved in fair housing suits. With potentially large sums of money involved, fewer defendants will settle and the number of cases that go to trial or require major discovery before settlement will increase substantially. Moreover, defendants will have a right to trials by jury in such suits and for the first time this Division will be litigating before juries in these types of cases.

4. The Amendments expand the existing categories of discrimination prohibited by the Act to include those of handicap and familial status. Consequently, both HUD and the Department will experience a major increase in complaints alleging discrimination on these new bases. In addition, both agencies will experience a significant increase in housing discrimination complaints in categories already covered by the law because for the first time the Federal Government will have the ability to obtain damages for individuals through enforcement of the law. Publicity surrounding this new Act is also likely to cause an increase in the number of complaints submitted.

5. Other provisions of the Amendments pertaining to actions that will be initiated at HUD will also result in an increase in this Division's workload. First, if HUD desires to seek preliminary relief during the administrative process in order to preserve the status quo, such actions shall be sought in federal court and will be assigned to this Division for prosecution upon HUD's request (again, apparently, without any discretion on the Division's part). Second, the Amendments require HUD to transmit information to this Department whenever there is reason to believe that an administrative complaint reveals a potential pattern and practice violation, and upon referral from HUD authorize this Department to initiate civil actions to enforce conciliation agreements. While this is not a departure from previous procedures and responsibilities, explicit requirement and authorization of such activities in the amended law is likely to result in increased referrals of this kind from HUD. Third, the Amendments require HUD to refer any matter involving the legality of any state or local zoning or other land use law or ordinance to this Division for appropriate action. Such matters are among the most complex that Division faces and require a significant resource allocation.

To meet the new litigation responsibilities resulting from the Amendments, a program increase of $2,500,000 and 47 positions (26 attorneys, 10 paralegals, 11 clericals) for 1991. This represents a major increase in the resources devoted to enforcing laws prohibiting housing discrimination, however, the scope of the added responsibility resulting from the Amendments more than justifies this request. Even before the added responsibility of this new Act was estimated, Division management believed existing program needs required additional resources. The new Act will substantially increase that workload. First, with respect to the pattern and practice cases that the Division already had authority to initiate, the Division expects (1) a significant increase in the number of active trials and litigation as a result of its ability to obtain actual damages and civil penalties, and (2) a substantial increase in the number of complaints received both in the newly covered areas of handicap and familial status as well as in categories already covered by the law as a result of the potential of damages for persons who file such complaints. Second, and of equal importance in projecting program needs, there will be a major increase in the number of cases that the Division will be required to file pursuant to elections made for federal court, as opposed to ALJs, in cases involving instances of individual discrimination.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Educational opportunities....................	31	28	$2,202	31	28	$2,298	30	27	$2,298	-1	-1	...

Long-Range Goal: To eliminate segregation in districts formerly operating dual school systems and reduce, in substantial measure, the need for court supervision of public elementary and secondary school desegregation in these districts; make substantial progress in eliminating unlawful segregation and discrimination in public schools in districts where there is no history of a statutorily required dual system;

eliminate continuing denials of equal educational opportunities in public school systems; eliminate discrimination in and/or denial of educational opportunities to Native Americans; eliminate the vestiges of unlawful, racially dual systems of higher education; and, assist the Department of Education (ED) in enforcing assurance of compliance with civil rights laws.

Major Objectives:
To initiate and/or participate in litigation designed to bring about the orderly desegregation of schools pursuant to federal laws; eliminate denial of equal protection of the law in educational institutions on account of sex; and, secure equal educational opportunities for students in public school systems and educational institutions receiving federal financial assistance.

To seek supplemental relief designed to eliminate the vestiges of racially dual school systems and to achieve compliance with constitutional requirements. Such relief in southern school districts will lead to the elimination of the need for judicial supervision of many of these school districts.

To file lawsuits, upon referral from ED, to enforce nondiscrimination assurances made by educational institutions receiving federal funds and defend ED against court challenges to its authority to enforce civil rights assurances by federal recipients through the administrative process.

To coordinate activities with ED to ensure that cases referred are worthy of litigation; investigative efforts are not duplicated; litigation reports are secured from client agencies; and, litigation is jointly planned (strategy, preparation of court documents, utilization of personnel).

Base Program Description: Program resources are expended primarily to litigate existing cases and to move for supplemental relief in cases previously decided, when necessary; institute cases to eliminate denials of equal educational opportunities; and, handle cases brought against ED. Initiatives in the area of school desegregation require continual coordination with the Office of Civil Rights (OCR), ED. Advance planning is undertaken to ensure that cases referred are worthy of litigation. Direct and ongoing coordination with OCR is also necessary to ensure that investigative efforts are not duplicated as complaints are frequently filed with the Division and OCR simultaneously. In defensive cases, coordination includes securing litigation reports from the client agency, joint planning of litigation strategy, mutual review of pleadings and other papers, and supervision of agency personnel with respect to the preparation of such cases for trial. In addition, significant resources are devoted to reviewing longstanding school cases to determine those school districts which have fully complied with court orders issued against them and therefore should be released from further court supervision. Finally, the program operates a compliance monitoring unit which is responsible for monitoring defendants' compliance with outstanding court orders.

Accomplishments and Workload: Accomplishments of the Educational Opportunities program are presented in the following table:

Item	1988	1989	Estimates	
			1990	1991
Cases/Matters Received	400	425	525	525
Investigations Conducted	325	330	450	450
Matters Closed	325	350	425	425
Cases Filed	15	15	30	30
Cases Closed	145	150	150	150
Defensive Cases in Progress	6	3	9	12
Judgments/Decrees Obtained	90	125	225	225

In May 1989 the program's appeal of an adverse liability ruling in the Mississippi higher education case was argued and, if the government prevails and the case is remanded, an early trial is expected. Recently a new judge was assigned to the Alabama higher education case and the parties have begun the discovery process. To date, the parties have been required to review the extensive record to attempt to agree on stipulations of fact. This process has been partially completed and, to date, has consumed an inordinate amount of resources. The program anticipates the case to be tried in the Spring of 1990. The program prevailed in the Louisiana higher education case and the court recently ordered a remedial plan. The State has appealed the order and therefore either further litigation or implementation of a final remedial plan may occur in early 1990. A fourth higher education case is being further investigated and a suit recommendation is expected soon. Finally, two investigations have been conducted of universities which have a policy of not admitting females. The results of one investigation is being reviewed to determine whether suit should be initiated and a suit recommendation is under review in the other case.

The program conducted a substantial number of hearings and trials in elementary and secondary cases and 35 cases advanced to hearings and trials. Court orders and consent decrees have been obtained in 53 cases and 105 investigations and reviews are in progress. An extensive post-trial brief was filed and oral argument held in the Charleston school case; a liability ruling is expected soon. The program has also successfully prosecuted several cases in which remedial plans will be implemented by school districts and, therefore, the program will have to devote resources to monitor the implementation of these plans. Finally, to enhance cooperation with civil rights groups and local community members, extensive outreach efforts have been undertaken, e.g., meetings and attendance at conference.

As reflected in the workload estimates, the Compliance Monitoring Unit has been extremely productive in monitoring and taking appropriate enforcement action with respect to districts operating under court orders. Unit personnel handled 240 reports to the court from school districts, received a voluminous amount of written and telephonic complaints, continued to follow up on 239 information requests to school districts which have failed to file required reports, and handled 30 investigations. The information request letters have generated a tremendous amount of increased activity as guidance and assistance have been sought by many of the districts on the proper methods for providing the required data. The material which is ultimately provided by about 200 districts is being analyzed to determine each district's compliance status. Additionally, the staff conducted on-site reviews, provided assistance to districts developing and implementing plans, and actively coordinated its activities with ED. The unit has been very successful in urging districts to initiate and adopt magnet school plans to remedy illegal student segregation. Many districts have had virtually no experience in this area, therefore, the unit has made its staff readily available to provide technical support and direction to facilitate the establishment and adoption of appropriate magnet schools.

The program continued a case closing initiative, which was implemented in 1988, involving the review of at least 300 old school cases which have had desegregation orders in place for approximately 20 years. The purpose is to determine whether the school systems involved have fully complied with their orders to determine whether the court should be requested to dismiss these cases. The project includes the review of voluminous case files and meeting and/or discussing issues with school officials in each district. To date, 20 school districts have been contacted and dismissal proceedings will proceed as appropriate. Private parties have objected to some cases being dismissed and, therefore, litigation has ensued; nine districts in Georgia are currently in litigation. This project has resulted in a number of complaints from parents and students which are now under investigation. Moreover, a number of districts have failed to provide requested information, resulting in an increased workload for the program. For districts which simply refuse to provide information, orders will be sought from the court.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Educational opportunities.....	31	28	$2,298	30	27	$2,928	-1	-1	...

The reduction of one position and one workyear is associated with mandatory A-76 reductions.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and administration.................	119	104	$8,495	77	81	$9,931	74	78	$10,004	-3	-3	$73

This budget activity includes resources for executive and administrative direction and control of the Civil Rights Division as well as its responsibilities as a result of the Civil Liberties Act of 1988. For clarity of presentation, this program is broken out into two sections, Executive Direction and Control and Redress Administration.

Executive Direction and Control

Long-Range Goal: To reduce the incidence of illegal discrimination in the nation through provision of guidance and definition of the Civil Rights Division's mission and priorities and provide to the public such access to Division records as is permissible under controlling law; provide all necessary executive direction, administrative support, training, and operational support required to the enforcement and regulatory activities of the Division in order to enable the program to substantially reduce discrimination in all subject areas enforced; and, improve and maintain more cost-effective systems support and equipment to allow increased efficiency and work per employee.

Major Objectives:

To coordinate the Division's enforcement activities appropriately with related activities of other components of the Department and other enforcement agencies.

To participate effectively in Departmental, Executive Branch and governmentwide efforts to clarify or strengthen jurisdiction and authority and to establish or improve policies and procedures which govern litigation, administrative enforcement and program operation.

To evaluate policies, procedures and systems; anticipate the workload, as well as resource and time expenditures of the programs; and, to develop and implement plans for changes which would render them more efficient, effective and responsive to constituent concerns.

To establish and maintain relationships with public interest groups, members of Congress and other constituent representatives which permit constituent concerns to be communicated to the Division and Division activities to be explained to constituents' representatives.

To answer Freedom of Information Act (FOIA) requests within 10 days and Privacy Act (PA) requests within 20 days; minimize the number of appeals from denials of records requests by adhering to a standard of maximum disclosure permissible under controlling law; and, assist the Civil Division and U.S. Attorneys defending the Department in litigation arising from the denials of FOIA requests and out of cases and matters of historic interest on which the Department file is closed.

To provide cost-effective and responsive management and automation systems capabilities to address management, administrative and litigative requirements.

To review, analyze and respond (on behalf of the Assistant Attorney General) to letters, memoranda and other communications directed to the Division by the White House, Congress, other federal agencies, private corporations and citizens; and issue Criminal Non-Prosecution Notices to government and private sector organizations and to citizens as appropriate.

To provide all of the general administrative support necessary to enable Division personnel to enforce federal civil rights laws, including the following administrative activities: budget formulation and execution; personnel services and training; outside contracts and procurement; mail distribution; space management; supply, equipment and reproduction services; and, other support services not specifically defined in other programs.

Base Program Description: The Assistant Attorney General personally approves case filings, interventions and amicus participations; major investigative undertakings, enforcement motions and consent decrees; novel legal positions; and, closings of investigations of death cases. He also represents the Attorney General on interagency councils concerned with civil rights issues. In that connection, he serves as chair of the Interagency Coordinating Council and as a member of the Architectural and Transportation Barriers Compliance Board both of which were established by the Rehabilitation Act of 1973, as amended. Supervisory responsibility over matters involving investigative and litigative strategy; relations with other components of the Department, other agencies, the Congress and some public interest groups; preclearance of changes in localities' voting practices and procedures; long-range program planning and evaluation; and, operation of the FOIA/PA unit is divided among the Deputy Assistant Attorneys General for action or oversight. Matters involving finance, personnel, and support services are assigned to the Executive Officer who conducts them through a centralized operation which is more efficient and cost effective yet provides greater management control.

The Division is committed to the effective use of Automated Data Processing to develop and implement systems to increase productivity. Management and other key personnel have completed specially designed computer courses and are playing integral roles in developing litigation systems within their programs. Through the use of a centralized shared information system--AMICUS--and decentralized personal computers for task specific requirements or where AMICUS is not yet available, programs are able to address their substantive and administrative requirements promptly and appropriately, saving time and money. Increased litigation support is obligatory to compete with private counsel using the most efficient technology available.

Accomplishments and Workload: Accomplishments relating to the Division's office automation initiative are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Litigation Support Projects	95	115	125	125
Litigation Support Reports	1,150	1,400	1,500	1,600
AMICUS & Microcomputer Users	432	442	442	474
Requests for Assistance	956	1,050	1,100	1,200
Sub-program Units	300	340	350	400

The data set out above reflects the program's continuing effort to refine and fully implement AMICUS as well as databases and other specialized software on personal computers.

The management activities of this program are by nature non-quantifiable and are best measured by the performance of the other programs which it manages. However, the Division is developing a Work Measurement System within AMICUS which will assist Division managers in measuring, in a more efficient statistical fashion, the inputs, outputs and performance of the other programs, as well as the resources required by each program. The system will be in direct support of the Department's case management system.

A major goal of the Administrative Management Unit of the program continues to be increasing productivity within the Division through the development and use of information technology. The focus of this initiative is the expansion of network office automation combined with the phasing out of less efficient systems and dedicated word processors. These two initiatives converge in a common developmental theme. The Division has continued its implementation of AMICUS, the network office automation system developed by the Civil Division and adopted by other divisions in the Department. At the conclusion of 1989, the Division had over 410 users on the system in the Main and HOLC Buildings. Productivity gains as a result of AMICUS surpass original estimates. At the beginning of 1987 (first year of AMICUS implementation), the Division's attorney/clerical ratio was 2:1; the Division's current attorney/clerical ratio is 3:1. In September, 1986, the Division's on-board clerical staffing level was 85; during 1989, the number of on-board clerical staff had dropped to 57, approximately 33 percent fewer clerical support staff. Because of very stringent fiscal constraints resulting in the Division's inability to back-fill vacant clerical positions, productivity gains realized from the implementation of AMICUS have proven invaluable to the day-to-day operations of the Civil Rights Division. Scarce available resources have been used to hire attorneys and other types of professionals in support of the litigative effort. Desktop access to legal databases such as JURIS, LEXIS, and WESTLAW via AMICUS has enabled lawyers and others to rededicate their time to more productive activities. The use of databases and other specialized software on personal computers for docketing, scheduling, record-keeping and direct litigation support has made the Division more efficient and is bringing essential information to the fingertips of its personnel. The Administration Management Unit has begun writing necessary application programs for its Amicus-base case management system and will begin implementation in early 1990, for its AMICUS-based case management system and will begin implementation in early 1990.

Automation has resulted in increased momentum in reducing the Freedom of Information/Privacy Act (FOI/PA) Unit's backlog of pending requests. During 1989, the backlog decreased from 335 to 268 pending FOI/PA requests. FOI/PA requesters continue to litigate; however, the reduced backlog and improved service to the public has reduced the overall number of requests in litigation. This reduction in litigation and the increased efficiency from automation is enabling the Unit to focus its resources upon the more complex and voluminous requests involving 10,000 pages or more of documents. Though, in the long term, the unit will continue to reduce the numbers of pending requests in the backlog; in the short term, the Unit will focus its resources and efforts upon these more complex requests and will maintain the backlog at a 250-260 level until the requests involving voluminous numbers of documents have been completed.

Redress Administration

Long-Range Goal: To provide payment to all eligible individuals: those of Japanese ancestry who were evacuated, relocated or interned in the United States during World War II, as set forth in the Civil Liberties Act of 1988.

Major Objectives:
To identify and locate eligible individuals as defined by the Act without requiring applications.

To implement and refine the process for verification of eligibility.

To notify all applicable individuals of eligibility.

To initiate payment to eligibles from the Civil Liberties Public Education Fund.

Base Program Description: The Civil Liberties Act of 1988 (P.L. 100-383) was signed by President Reagan on August 10, 1988. Under the Act, the Attorney General was assigned responsibility for Section 105, which provided that payments of $20,000 each be made to eligible individuals of Japanese ancestry who were evacuated, relocated, or interned by the United States Government during World War II. To carry out these responsibilities, the Office of Redress Administration (ORA) was created within the Civil Rights Division.

Accomplishments and Workload: The Office of Redress Administration was established on September 7, 1988. The accomplishments of the program include: establishment of a toll-free number, a post-office box, an information number in Tokyo, and printed materials in English and Japanese. Over 250,000 pieces of literature about the program, including 150,000 Voluntary Information Forms, have been distributed. A ninety day San Francisco office was established in October 1988 to assist with public outreach, and successfully completed its mission.

Over 50 outreach meetings have been conducted in major metropolitan areas of 15 states; half-page advertisements have been submitted to ten U.S. Japanese vernacular newspapers reaching a circulation of 69,800; a statement to the Japanese American Citizens League affiliated vernacular has been circulated to 25,000 in all 50 states; press releases have been sent to 14 Japanese vernaculars newspapers reaching a circulation of 137,300; media interviews have been conducted, including radio, television, and a full press conference for native Japanese press; and 400 letters have been mailed to community leaders in key organizations in 16 states.

It is estimated that 75,000 or more individual contacts have been made through the receipt of correspondence and utilization of the toll-free numbers. A special file system and archive for this correspondence and for documentation of all telephone contacts has been developed, offices and staffing secured, and the system put into full operation. This documentation is now quickly and easily accessible when needed in the verification process.

From various historical sources, ORA has compiled a master list of potentially eligible individuals. This list has been computerized, refined to eliminate duplications and errors, and through extensive research, expanded to include all but a very small number of those individuals defined as eligible by the implementing regulations. This master list is ORA's main tool in the verification of eligibility. ORA has constructed verification procedures, and devised and implemented computerized information management and case tracking systems to support them. These manual and computerized systems have been tested for comprehensiveness, efficiency, and security.

ORA has confirmed the estimated number of eligible survivors, and with the assistance of an independent actuarial consulting firm, has projected the number of expected deaths in the eligible population over the ten year span allotted by the Act. This exercise has provided a basis for important projections regarding the expected future cost of administering the program.

Death records have been obtained from four states with major populations of Japanese Americans, Oregon, California, Hawaii, and Illinois, in order to account for those deceased prior to the signing of the law. Preliminary matching of these records with the master list has been completed.

Proposed regulations governing eligibility and implementation of the Act were developed by ORA, approved by the Department, and published for a thirty day period for public comment. Shortly following their publication, ORA staff conducted public forums in nine major cities to explain the regulations and to answer questions about them. After considering the comments received, ORA revised the regulations and once again received Departmental approval. Final Regulations were signed by the Attorney General on August 10, 1989, just one year after the enactment of the Civil Liberties Act.

With the Final Regulations in place, official verification of eligibility has begun, in preparation for the availability of full funding for payments in October 1990. Form letters, which vary to fit the person's present circumstances eligibility for payment, and the facts of their individual case have been sent to over 2,000 individuals. ORA has published over 10 different letter types.

In further preparation for redress payment funding, ORA has developed and tested a system for payment processing. Components of this system include Division level approval of each payment, the transmission of necessary information to the Treasury, the safe distribution of redress checks, and accurate recording of important payment information.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and administration..	77	81	$9,931	74	78	$10,004	-3	-3	$73

In support of the post-1990 Census responsibilities of the Voting program, $73,000 is requested to purchase a mapping plotter, data files and related storage devices. The actual resources required for the acquisition of this equipment has been adjusted to reflect mandatory A-76 reductions of three positions, three workyears and $27,000. The Voting program cannot accomplish its review of Section 5 submissions without access to maps of covered jurisdictions. Pursuant to the Voting Rights Act of 1965, 17 states and 911 counties, as well as the cities, school jurisdictions and other political units that are located within those jurisdictions, are subject to the preclearance requirement of Section 5, 42 U.S.C. 1973c. Beginning in April 1991, redistricting plans based on the 1990 Census will be submitted to the Attorney General by these jurisdictions. Some jurisdictions will submit more than one redistricting plan for preclearance, e.g., states will need preclearance for their congressional, state senate and state house redistricting plans.

Initial projections regarding the volume of redistricting plans that will be submitted to the Attorney General are: 1,200 redistricting plans in 1991, 1,600 plans in 1992, 800 plans in 1993, 500 in 1994, and 200 to 300 redistricting plans annually after that. These projections represent a significant increase over the number received following the release of the 1980 Census. The increases are due, in part to: (a) hundreds of jurisdictions are now using single member districts as a result of court orders entered in lawsuits under Section 2 of the Voting Rights Act; (b) redistricting timing is compressed from three year periods in 1980 to at the maximum, one and one-half years in 1990; and, (3) the knowledge of jurisdictions that are covered is much more widespread.

More specifically, the voting program's review of redistricting plans requires the use of census maps to: (1) enable the program to use the census units (blocks, block groups, etc.) to recompute and thus verify the population and the racial make-up of the voting districts outlined by the jurisdiction, and (2) determine other available alternative districting configurations in order to measure whether a submitted redistricting plan causes retrogression in minority voting strength (as measured against the most recent districting), or whether the suggestion of a racial purpose lies behind the submitted redistricting as shown by the manner in which the proposed district lines fragment or pack areas of minority population concentrations.

In order to meet the statutorily imposed 60-day deadline for the review of submissions under Section 5, immediate access to multiple copies of the appropriate maps is required. Lacking the capability to produce census maps as needed, it will be necessary to purchase, in advance, and store all 30,000 maps. Storage alone, of the oversized maps, is impractical. Moreover, cataloging and maintaining control over the location of each map would be an enormous task requiring additional personnel.

In addition, if maps are unretrievable (i.e., lost, "in use", damaged, destroyed, etc.) the Voting program will be unable to get new copies as quickly as they will be needed because Census maps are not available from one central source (there are several different regional centers from which Census maps must be ordered). On such a short fuse, the specter of continually ordering and keeping track of the orders for map groups and subsections of map groups from various Census map centers for dozens of pending submissions is daunting, at best.

Civil Rights Division
Salaries and expenses, General Legal Activities
Financial Analysis - Program Changes
(Dollars in thousands)

Item	Civil Rights Matters						Program Decreases							
	Voting		Housing and Civil Enforcement		Management and Administration		Coordination and Review		Educational Opportunities		Management and Administration		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades														
GS/GM-15	...	...	5	$296	...	...	...	...	...	...	...	...	5	$296
GS/GM-14	1	$51	9	452	...	...	...	...	...	...	...	...	10	503
GS-13	2	86	8	340	...	...	...	...	...	...	...	...	10	426
GS-12	2	72	...	...	...	...	...	...	...	...	...	...	2	72
GS-11	...	...	10	299	...	...	...	...	...	...	...	...	10	299
GS-9	3	74	4	99	...	...	...	...	...	...	...	...	7	173
GS-7	4	81	6	121	...	...	...	...	...	...	-2	-$40	8	162
GS-6	...	...	5	91	...	...	...	...	...	...	...	...	5	91
GS-5	...	...	...	...	...	...	-1	-$16	-1	-$16	-1	-16	-3	-48
GS-4	1	15	...	...	...	...	...	...	...	...	...	...	1	15
GS-3	3	39	...	...	...	...	...	...	...	...	...	...	3	39
Total positions and annual rate.	16	418	47	1,698	...	...	-1	-16	-1	-16	-3	-56	58	2,028
Lapse (-)	-8	-209	-23	-86[illegible]	...	...	...	...	...	...	...	...	-31	-1,071
Total workyears and personnel compensation	8	209	24	836	...	...	...	-16	...	-16	...	-56	27	957
Personnel benefits		53		215	...	...	...	...	...	...	...	...	...	268
Travel and transportation of persons		117		285	...	..	...	...	...	...	...	...	...	402
Transportation of things		5		30	...	...	...	...	...	...	...	...	...	35
GSA rent		113		315	...	...	...	...	...	...	...	...	...	428
Other rent, communications & utilities		28		97	...	...	...	...	...	...	...	...	...	125
Printing and reproduction		24		39	...	...	...	...	...	...	...	...	...	63
Other services		1,083		488	...	...	...	16	...	16	...	29	...	1,632
Supplies and materials		32		78	...	$36	...	...	...	...	...	...	...	146
Equipment		80		117	...	64	...	...	...	...	...	...	...	261
Total program workyears & obligations changes requested in 1991	8	1,744	24	2,500	...	100	-1	...	-1	...	-3	-27	27	4,317

Civil Rights Division

Salaries and expenses, General Legal Activities

Priority Ranking

Base Program

Program	Ranking
Civil Rights Prosecution	1
Voting	2
Employment Litigation	3
Housing and Civil Enforcement	4
Educational Opportunities	5
Special Litigation	6
Federal Appellate Activity	7
Coordination and Review	8
Management and Administration Redress Administration	9
Management and Administration Executive Direction and Control	10

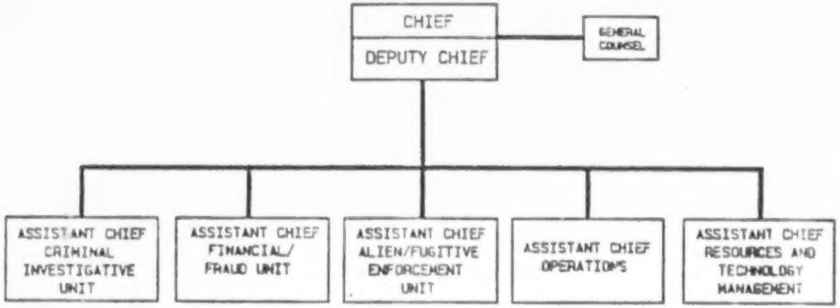
Program Increases

Program	Ranking
Voting	1
Housing and Civil Enforcement	2
Management and Administration Executive Direction and Control	3

Civil Rights Division
General Legal Activities
Salaries and expenses
Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1991			
			Adjustments to Base	Program Increases	Program Decreases	Total
Attorneys (905)......	179	179	...	31	...	210
Paralegal Specialists (950)......	56	56	...	14	...	70
Other Legal and Kindred (900-998)......	10	10	...	...	...	10
Social Sciences, Economics and Kindred (100-199)......	20	20	...	3	...	23
General Admin. Clerical and Office Services (300-399)......	153	193	-42	15	-5	161
Accounting and Budget (500-509)......	4	4	...	...	...	4
Information and Arts Group (1000-1099)......	1	1	...	...	...	1
Mathematics and Statistics Group (1500-1599)..	2	2	...	...	...	2
Total......	425	465	-42	63	-5	481
Washington......	425	465	-42	63	-5	481

INTERPOL - U.S. NATIONAL CENTRAL BUREAU


CHIEF
DEPUTY CHIEF
GENERAL COUNSEL
ASSISTANT CHIEF CRIMINAL INVESTIGATIVE UNIT
ASSISTANT CHIEF FINANCIAL/ FRAUD UNIT
ASSISTANT CHIEF ALIEN/FUGITIVE ENFORCEMENT UNIT
ASSISTANT CHIEF OPERATIONS
ASSISTANT CHIEF RESOURCES AND TECHNOLOGY MANAGEMENT

APPROVED: Edwin Meese III DATE: 19 Jan 88

EDWIN MEESE III
Attorney General

INTERPOL-U.S. National Central Bureau

Salaries and expenses

Crosswalk of 1990 Changes

(Dollars in thousands)

Activity/Program	1990 President's Budget Request			Reprogrammings			1990 Sequestration			1990 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
INTERPOL-U. S. National Central Bureau	79	75	$5,751	...	..	...	...	..	-$69	79	75	$5,682

INTERPOL-U.S. National Central Bureau

Salaries and expenses, General Legal Activities

Summary of Requirements

(Dollars in thousands)

	Perm. Pos.	WY	Amount
Department of Justice Appropriations Act, 1990	79	75	$5,751
Department of Transportation Appropriations Act, 1990, Emergency Drug Funding	..	..	...
1990 as enacted	79	75	5,751
1990 Sequestration	..	..	-69
1990 appropriation anticipated	79	75	5,682
Mandatory increases:			
Annualization of new positions	..	4	85
Additional compensable day	..	..	16
1990 Full-year pay increase impact on 1991	..	..	94
1991 pay increase	.	..	38
Senior Executive Service pay increase	.	..	8
Health benefits	.	..	5
GSA rent	.	..	12
GPO printing costs	.	..	2
Employee data and payroll services	..	..	1
Other, increase in unit value of INTERPOL dues assessment budget units	..	..	43
Total, mandatory increases	.	4	304
Decreases:			
Nonrecurring costs for equipment purchases	..	..	-347
Total, decreases	..	..	-347
1991 base	79	79	$5,639

	1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
Estimate by budget activity	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
INTERPOL-U.S. National Central Bureau	70	70	$4,343	79	75	$5,682	79	79	$5,639	79	79	$5,639	..	..	...
EOY Employment:															
Full-time permanent	70			79			79			79					

INTERPOL-U.S. NATIONAL CENTRAL BUREAU

Salaries and Expenses, General Legal Activities

Justification of Program and Performance

Activity Resource Summary

(Dollars in thousands)

Activity: INTERPOL-U.S. National Central Bureau	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
INTERPOL-U.S. National Central Bureau	79	75	5,682	79	79	5,639	79	79	5,639	...	..	...

Long Range Goal: To stem the growth of international crime by providing efficient communications, exchange of information, and coordination of investigations among the member countries of INTERPOL, the INTERPOL General Secretariat (headquarters), and law enforcement agencies within the United States.

Major Objectives:

To represent the United States in the International Criminal Police Organization (INTERPOL).

To respond to and assist domestic and international law enforcement agencies in exchanging criminal information in accordance with the INTERPOL constitution and Department of Justice regulations and to coordinate investigations in their behalf.

To analyze patterns and trends of international criminal activities and to coordinate programs addressing particular areas of international crime, such as drug trafficking, terrorism, organized crime, financial crime, and international fugitive movement, with other Federal law enforcement agencies .

To assist the states and U. S. territories in coordinating communications between the USNCB, state and local jurisdictions and their foreign counterparts, including the maintenance of a strong state liaison program and regional subbureaus, so that impact of U.S. law enforcement resources can be maximized and duplication of effort at the state and local level reduced.

To support the Administration's programs to combat drug trafficking both domestically and internationally through a dedicated investigative unit for drug-related initiatives and through maximum utilization of the INTERPOL International Wanted Notice Program.

Accomplishments and Workload: Over the past year, the USNCB has made substantial progress on initiatives that hold great potential for international and domestic law enforcement.

The Caribbean/Central American Telecommunications Network, jointly funded by INTERPOL and the United Nations Fund for Drug Abuse Control, has been implemented. Terminals now tie together 28 countries in that region on an information exchange that allows direct access to the INTERPOL channel, direct communications among the nations in the region, and exchange of "real-time" police information from major drug trafficking routes between South and North America.

A significant accomplishment connected with this project is the USNCB's development of message formats. By using a standard format for messages, information from the 300 messages that are expected to be exchanged daily through an automated message switch at the San Juan regional station can be used to build a data base relating to drug trafficking. The standard formats that feed this data base were adopted for worldwide use by INTERPOL member-countries at the 57th INTERPOL General Assembly. INTERPOL is planning similar initiatives in the South Pacific, Eastern Mediterranean, and African Regions.

With the creation of a subbureau in Puerto Rico and the Caribbean/Central America Telecommunications Network, INTERPOL recognized the need for ongoing dialog among the network users of the area. As a result, the Technical Committee on the Caribbean and Central America was formed to address common law enforcement problems and policing issues. Various resolutions concerning policy, such as establishing the position of Narcotics Liaison Officer for the region, and issues of coordination concerning implementation and oversight of the telecommunications network are addressed by the committee of 11 countries.

In addition to the U.S. subbureau in San Juan, U. S. subbureaus were opened in the U. S. Virgin Islands and American Samoa in Fall 1988. Plans are being developed for a second INTERPOL automated regional station that will service the South Pacific basin, with Australia and American Samoa being considered as sites. Since it is relatively isolated, the South Pacific basin is thought to be a likely candidate for the influx of criminal elements, and established communications with a link to the INTERPOL network will go far towards preempting growth of illegal activity.

An initiative that will play a major role in curbing movement of criminals on both sides of the U.S.-Canadian border is the INTERPOL US/Canadian interface. This project allows the 50 states and their Canadian counterparts, through the National Law Enforcement Telecommunications System (NLETS), to exchange police information using the USNCB and INTERPOL Ottawa as the necessary interface. The USNCB has completed all transactional testing, and is operational with South Carolina and Washington State on line. Kentucky is scheduled as the third state to come on-line, with full implementation of the system shortly thereafter.

This project is significant because of its potential for apprehending wanted persons and recovering stolen vehicles, limiting the easy access now enjoyed by criminals on both sides of the border, and addressing the drug trafficking patterns up and down the I-95 corridor, as well as routes through the Ohio Valley and westward. It is anticipated that more than 5,000 messages per day may come through this channel.

In addressing the Administration's increased efforts in the war on drugs, the USNCB identified some voids in the area of narcotics investigations. DEA was asked by the USNCB to analyse incoming narcotic-related cases to reassess its level of participation at the USNCB, with a view towards better utilization of the INTERPOL network. After detailling two additional agents to the USNCB to immediately address increasing drug-related investigative demands and to conduct a study of current USNCB/DEA operations, the DEA supported establishment of a separate drug unit at the USNCB with an expanded DEA presence.

As part of increased worldwide efforts against drug trafficking, the USNCB has expanded its International Wanted Notice program. In the past year, issuance of U.S. notices and distribution of foreign notices have increased. As a result of resources approved in 1990 for a paralegal, greater utilization of the program is expected to significantly impede the movement of drug traffickers.

To meet the challenges created by the increased internationalization of crime, especially as it impacts state and local jurisdictions, and to facilitate use of the INTERPOL network by domestic agencies, the USNCB is working with states to establish liaison offices through which inquiries to the USNCB can be channelled. Liaison offices make it easier for local law enforcement to access the USNCB, INTERPOL, and foreign police sources and eliminates many querying errors at the source. Through these offices, the USNCB can dramatically increase and improve assistance to state and local law enforcement with virtually no additional investment of resources. Offices have been established in each of the 50 states.

The INTERPOL network represents an efficient and cost-effective way for domestic and international law enforcement to pursue investigations with a minimum expenditure of manpower. In FY 1989, the USNCB handled a case load of 46,173 investigative matters, with 25,870 pending at the close of the fiscal year. Yet to be realized is the dramatic increase the USNCB will experience when the Caribbean/Central America Telecommunications Network (estimated at 300 messages each day) and the INTERPOL/US/Canadian interface become fully operational.

INTERPOL-U.S. National Central Bureau

Salaries and expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1991 Total
Criminal Investigating Series (1801-1811)	1	1	1
General Administration, Clerical, and Office Services (300-399)	66	74	74
Paralegal Specialist (950)	...	1	1
Information and Arts (1000 - 1099)	3	3	3
Total	70	79	79
Washington	70	79	79

Legal Activities Office Automation
Salaries and expenses, General Legal Activities

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Amount
1990 as enacted	$12,160
1990 Sequestration	- 146
1990 appropriation anticipated	12,014
Mandatory increases:	
Annualization of 1990 leases	4,932
1991 Base	16,946

Estimates by Budget Activity	1989 Enacted	1989 Actual	1990 Appropriation Anticipated	1991 Base	1991 Estimate	Increase/ Decrease
Legal Activities Office Automation..	$4,726	$6,408	$12,014	$16,946	$23,171	$6,225

Legal Activities Office Automation
Salaries and expenses, General Legal Activities
Justification of program and performance
Activity Resource Summary
(Dollars in thousands)

Activity: Legal Activities Office Automation	1990 Appropriation Anticipated	1991 Base	1991 Estimate	Increase/Decrease
Office Automation............	$12,014	$16,946	$23,171	$6,225

Long-Range Goal: The mission of the Legal Activities Office Automation fund is to improve the productivity of administering the Department's legal activities programs through modernization and enhancement of office automation systems in the litigating components.

Major Objectives:

Develop system designs which meet the central requirements of the litigating organizations and the needs of the Department's management officials for information, and which allow reliable interfaces with Department-wide data collection and reporting systems.

Implement cost effective methods for electronic exchange of documents and messages among Departmental organizations. Institutionalize the planning and acquisition processes for office automation resources to:

- Build on the installed base of office automation systems in the litigating organizations;
- Build cooperative processing systems wherever possible;
- Ensure installation of compatible hardware and software in all future acquisitions.

Base Program Description: In 1986, the Deputy Attorney General directed that the Department develop a comprehensive policy and strategy for the design and acquisition of automated systems for the six legal divisions, the offices of the U.S. Attorneys and offices of senior departmental management. The objective was to achieve management efficiencies and productivity gains in office automation systems and to move the Department toward a more coordinated and unified approach to these systems.

During 1986, the Department developed and integrated project plans for all the litigating components and senior management offices. It was recommended that the Department proceed immediately to implement coordinated office automation systems throughout the litigating organizations. The Department is pursuing this recommendation through two major approaches -- the AMICUS and EAGLE office automation systems.

AMICUS - Beginning in 1982, the Civil Division developed the Automated Management Civil Users System (AMICUS) office automation system to provide attorneys, clerical staff and managers with access to an array of services supporting the operations of a modern law office. In addition to word processing, electronic mail and other office services, AMICUS provides on-line access to legal research data bases such as JURIS, Lexis/Nexis, Westlaw and other special data bases. With the funding appropriated for 1987 - 1989, the Department installed the AMICUS system in the Land and Natural Resources and Civil Rights Divisions. By 1991, these Divisions are scheduled to have completed the buy-out of their AMICUS installations.

EAGLE - EAGLE (Enhanced Automation for the Government Legal Environment) is the name used to describe a strategic Department of Justice procurement of integrated office automation hardware, software and support for Department litigating organizations. The Tax, Criminal, and Justice Management Divisions and offices of the U.S. Attorneys are currently participating in this joint office automation acquisition. The EAGLE contract was awarded in June, 1989.

Both AMICUS and EAGLE provide Departmental employees with desktop access to the tools necessary to increase productivity:

Legal word processing - the document production, spell-checking and printing tools necessary for preparing lengthy legal materials with multiple footnotes, indices, tables of authorities, etc.

Electronic mail - a cost-effective electronic alternative to telephones, the postal system, and overnight delivery services for short and informal communications, especially for organizations with a nationwide field office network.

Calendar management - tools for personal and group scheduling of court dates, meetings, conferences and events.

Communications and file-transfer - tools for access to online legal research services (JURIS, Lexis, Westlaw, etc.), for linkage to the Department of Justice Data Centers for centralized data management activities, and for transferring documents and computer files from one location to another.

Database management - tools for automated organization, analysis and retrieval of various types of records, including both evidentiary and administrative data.

Not only are the AMICUS and EAGLE systems compatible with each other, but they are also compatible with future directions (e.g., the Department's planned nationwide X.25 packet-switching telecommunications network via the FTS 2000 contract).

Although EAGLE was developed primarily to meet the needs of the litigating organizations without integrated office systems (Tax Division, Criminal Division, and U.S. Attorney offices), the functional requirements are generic enough to meet the needs of other Department of Justice organizations, including the Office of the Inspector General and the Justice Management Division.

It is expected that by the end of 1990, substantially all EAGLE systems in the Criminal and Tax Divisions will be operational. The United States Attorneys will install EAGLE in 53 districts nationwide, primarily in small and medium-sized offices. This will provide automated support for approximately 40% of all current United States Attorneys personnel. The Justice Management Division will install a limited number of EAGLE systems.

To move toward EAGLE compatibility, other DOJ organizations, not funded through LAOA, also are acquiring office automation equipment through the EAGLE contract. These organizations include the Office of Inspector General, the Bureau of Prisons, the Immigration and Naturalization Service, and the United States Marshals Service.

Accomplishments: The joint litigating organizations planning initiative has yielded impressive dividends thus far. The AMICUS system has been expanded to meet the needs of the Civil Division, the Lands and Natural Resources Division, the Civil Rights Division, the senior management offices, and the General Counsel's Office of the Immigration and Naturalization Service.

In August 1989, the Attorney General established a Project EAGLE Steering Committee to guide the implementation of the EAGLE contract throughout the Department. This Committee, consisting initially of senior management representatives from the Criminal, Tax, and Justice Management Divisions, and the United States Attorneys, provides policy guidance and reaches agreements on cross-cutting issues among EAGLE participants.

By the end of the first quarter 1990, the Criminal and Tax Divisions conducted facilities preparation, including power, cabling and telecommunications. An initial EAGLE system is operational in the Criminal Division and installation is under way in the Executive Office for United States Attorneys and the Philadelphia U.S. Attorney's Office (Eastern District of Pennsylvania). A second installation in San Antonio, Texas (Western District of Texas) is scheduled in the near future. 250 EAGLE workstations were installed in Organized Crime Strike Force offices nationwide. In addition, an EAGLE training center was established in Washington, DC, to train system managers and end users.

During 1990, a gateway will be installed to allow EAGLE and AMICUS to communicate electronically and to transmit documents instantaneously.

Program Changes:	1991 Base	1991 Estimate	Increase/Decrease
Office Automation	$16,946	$23,171	$6,225

An increase of $6,225,000 in budget authority is requested for 1991 for Legal Activities Office Automation. The requested funding in 1991 will be committed to the implementation of the EAGLE office automation system. Now that EAGLE installation has begun, the benefits of coordinated automation systems in the litigating organizations can be fully realized only if sufficient funding is provided.

During 1991, the United States Attorneys will complete the installation phase for EAGLE systems in all districts. The 39 districts scheduled to be brought online in 1991 include the largest United States Attorney offices, including the Eastern and Southern Districts of New York, and all of California and Florida. Also during 1991, the Criminal Division and Tax Division will finish the installation phase by implementing a limited number of remaining offices, as will the Justice Management Division. EAGLE, fully funded, and in combination with AMICUS, will for the first time enable our litigating organizations to match their counterparts with state-of-the-art technology. The lack of advanced automated resources has placed the attorneys at a disadvantage in pursuing and successfully prosecuting cases because their counterparts are defending clients with the aid of more advanced automated resources. Although installation will be complete in 1991, equipment lease payments will continue under the three year lease to ownership plan chosen by the Department.

Without full funding for EAGLE, attorneys will not have adequate modern tools available to successfully prosecute high level criminals associated with drugs, white collar crime, and fraud, and to defend the Federal Government against civil claims. The features of EAGLE would be rendered ineffective. Specifically, the ability to send mail to all users, to schedule meetings, to create and share databases for litigation support, and establish local brief banks would be limited only to those users on installed EAGLE systems.

As installation is completed and systems are in place, EAGLE organizations have identified plans in 1991 to pursue application development with tools available under the EAGLE contract, such as the ORACLE database management software. For example, the United States Attorneys plan to create and share litigation support databases and establish local brief banks.

Implementation of this coordinated office automation program will end the proliferation of incompatible systems which now preclude the rapid and efficient transfer of information, documents, and work products among the litigating components. Also, this initiative will markedly expand the availability and use of automated legal research and litigation support.

In 1991, the AMICUS-EAGLE system will provide the critical technological links between Washington-based Divisions and all U.S. Attorney offices, thereby eliminating many of the delays in case prosecution and expenses associated with overnight mail, employee travel and other expensive concomitants of nationwide litigation and law enforcement. Also, additional savings are anticipated through the development and maintenance of common core software and, as appropriate, integrated systems support contracts.

Legal Activities Office Automation

Salaries and expenses, General Legal Activities

Financial Analysis - Program Changes
(Dollars in thousands)

	Legal activities office automation	
	Pos.	Amount
Communications, utilities and misc. charges	...	$ 1,845
Other services	...	2,639
Equipment	...	1,741
Total obligations, changes requested 1991		6,225

Special Counsel for Immigration Related Unfair Employment Practices
Salaries and Expenses, General Legal Activities
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-Years	Amount
Department of Justice Appropriations Act, 1990	36	29	$3,640
1990 Sequester	...	...	-44
1990 Appropriation Anticipated	36	29	3,596
Mandatory Increases			
Annualization of 1990 positions	...	1	49
Additional compensable day	...	...	6
1990 full-year pay increase impact on 1991	...	...	77
1991 pay increase	...	...	20
Health Benefits	...	...	12
GSA Rent	...	...	8
Other, workyear adjustment	...	4	90
Total Mandatory Increases	...	5	262
1991 Base	36	34	$3,858

Estimates by Program	1989 As Enacted			1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Special Counsel for Immigration-Related Unfair Employment Practices	30	25	$2,064	30	29	$2,023	36	29	$3,596	36	34	$3,858	36	34	$3,858	...	...	...
Other Workyears:																		
Overtime		1			1			1			1			1			...	
Total Compensable Workyears		26			30			30			35			35			...	
EOY Employment:																		
Full-time permanent	30			30			36			36			36			...		

Special Counsel for Immigration Related Unfair Employment Practices
Salaries and Expenses
Justification of Program and Peformance
Activity Resource Summary
(Dollars in thousands)

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Activity: Office of Special Counsel......	36	29	$3,596	36	34	$3,858	36	34	$3,858	...	..	...

Long-Range Goal: To reduce and deter national origin and citizenship status discrimination.

Major Objectives:
To remedy discrimination based on national origin or citizenship status under the Immigration Reform and Control Act of 1986.

To investigate charges of discrimination and to initiate and file complaints with administrative law judges in appropriate cases.

To undertake public education initiatives intended to inform employers, victims, and public interest groups of the protections provided under Section 102.

Base Program Description: Section 102 of the Immigration Reform and Control Reform Act of 1986 (IRCA) makes it an "unfair immigration-related practice" to discriminate in hiring, recruiting, discharging, or referring an individual for a fee, because of such individual's national origin, or in the case of a citizen or intending citizen, because of that individual's citizenship status. The Act exempts from these prohibitions: (a) employers of three or fewer employees, (b) claims which are enforceable under Title VII of the 1964 Civil Rights Act, 42 U.S.C. 2000e, and (c) employment actions based on citizenship status where the employer must discriminate based on citizenship in order to comply with requirements imposed by statutes, regulations, executive orders, government contracts, or where the Attorney General determines citizenship status is essential for an employer to do business with a federal, state or local government agency or department. In order to enforce the prohibitions in the Act, the position of "Special Counsel for Immigration-Related Unfair Employment Practices," was created in the Department.

The Special Counsel receives and investigates nationwide charges of employment discrimination filed by private individuals or those filing on their behalf, or Immigration and Naturalization Service Officers, and determines whether the charges warrant filing an administrative complaint. The Special Counsel may also, on his/her own initiative, conduct independent investigations of Section 102 violations, including possible pattern and practice violations. When the Special Counsel determines that such action is justified, he/she may file a complaint with an administrative law judge seeking injunctive relief and, where appropriate, back pay or civil monetary penalties or both. Once the administrative law judge finds a violation and issues relief, the Special Counsel may file an action in federal court to enforce such relief. Where the Special Counsel does not file an administrative action, the Act provides the individual the right to file his/her own action before an administrative law judge.

The program coordinates with officials of the Equal Employment Opportunity Commission, the Immigration and Naturalization Service, the Department of Labor, and other federal agencies to ensure uniform and effective enforcement of the nation's immigration law. The program provides legislative counsel to other programs within the Department and to other federal agencies. In addition, the program promotes awareness of the antidiscrimination provisions of the Act through public outreach efforts, including public service announcements, training, mass mailings, and participation in conferences involving public and private groups.

Congress has reinforced its intention that the Office of Special Counsel conduct public outreach activities by increasing the budget of the Office one million dollars for the specific purpose of educating employers and potential victims about Section 102. In addition, Congress has charged the Special Counsel with responsibility for consultation with the states on distribution of State Legalization Impact Assistance Grants to promote public awareness.

Accomplishments and Workload: During 1989, the program received 385 charges of discrimination, compared with 276 charges during the previous year; 62 independent investigations were initiated. Through December 31 this year, the program received 87 charges, opened 30 independent investigations, filed three complaints, and negotiated three formal settlements of charges. Many other investigations were resolved through voluntary changes in personnel policies and practices or the demonstration of legitimate justification for a U.S. citizen only policy. The program maintained liaison with nearly a dozen federal agencies and has continued extensive mailings to inform public interest and community groups, as well as INS offices and legal aid centers, of the antidiscrimination requirements under Section 102. Furthermore, the program has participated in numerous seminars and conferences before public interest immigration rights and employer groups across the country.

Some of our cases have affected entire industries engendering widespread reforms. This is particularly true of the airline and defense industries. Through far-reaching settlements with the OSC, four major airlines have abandoned citizenship status restrictive hiring practices. Similarly, defense contractors have agreed to drop company-wide citizens-only policies due to the Office of Special Counsel's intervention. As a result of these cases, tens of thousands of jobs in the defense and airlines industries are now open to aliens who intend to become citizens.

In addition to a memorandum of understanding with the Equal Employment Opportunity Commission, the Office of Special Counsel has invited 114 state and local civil rights enforcement agencies to enter into similar agreements, whereby they would serve as agents of the government for purposes of receiving charges of immigration-related unfair employment practices. So far, we have signed agreements with 23 such agencies, and are currently negotiating with 18 others. These agreements will serve a dual purpose: they will ensure that discrimination claims are efficiently investigated by the right agency, and they will alert state and local civil rights agencies to be watchful for IRCA discrimination cases.

In connection with its public education activities, the program has given hundreds of presentations on the antidiscrimination provision at seminars, conferences, and meetings throughout the country. The groups have included employer associations, unions, bar associations, personnel officers, public interest groups, federal agencies, INS offices, Assistant U.S. Attorneys, legalization groups, and Hispanic organizations. We also systematically targeted groups and individuals for mass mailings of information about the antidiscrimination provision and the Office, including approximately 900 qualified designated entities (groups designated under IRCA to assist aliens in legalization), INS district offices, Department of Labor (DOL) Wage and Hour Division offices, and finally, numerous other agencies and organizations likely to have contact with aliens seeking advice on employment matters. In conjunction with the INS, the Office drafted a brochure entitled Immigration Reform and Control Act of 1986 (IRCA): Your Job and Your Rights. Available in English and in Spanish, over two million brochures have been printed and distributed. Television and radio public service announcements have been aired nationwide, newspaper advertisements placed, and a task force of federal agencies has been established to develop a coordinated strategy for educating the public about IRCA's antidiscrimination provision. The task force is made up of representatives from the Office of Special Counsel, the INS, the EEOC, the DOL, and the Small Business Administration.

Item	1988	1989	1990 Estimate	1991 Estimate
Total Investigations	696	447	580	650
Charges Received	276	385	500	570
Independent Investigations	420	62	80	80
Complaints Filed	12	8	15	15
Formal Settlements	33	48	100	110

In July, the Office received a favorable judgment from an administrative law judge in the first case it has fully tried. The decision, adopting our arguments, found that an airline discriminated against a pilot applicant on the basis of citizenship status, and furthermore engaged in a pattern and practice of discrimination. That decision has been appealed.

Special Counsel for Immigration Related Unfair Employment Practices

Salaries and Expenses, General Legal Activities

Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1991 Request
Attorneys (905)..	15	16	16
Paralegal Specialists (950)..	4	5	5
General Admin. Clerical and Office Services (300-399)....................	11	15	15
Total..	30	36	36
Washington..	30	36	36

Mr. SMITH. The Committee is pleased to welcome for his first appearance Deputy Attorney General Donald Ayer. We will insert your biography into the record at this point.

[The biography of Mr. Ayer follows:]

BIOGRAPHY—DONALD B. AYER

Donald B. Ayer was sworn in as the Deputy Attorney General of the United States on November 8, 1989. Prior to his appointment, Mr. Ayer was a partner in the Washington office of Jones, Day, Reavis & Pogue. His previous public offices include service as an Assistant United States Attorney for the Northern District of California, United States Attorney for the Eastern District of California, and as principal Deputy and Counselor to Solicitor General Charles Fried.

Mr. Ayer was born in San Mateo, California on April 30, 1949 and spent most of his early years in that area. He graduated from Woodside High School, received a B.A. from Stanford University in 1971, an M.A. from Harvard University in 1973, and his J.D. from Harvard Law School in 1975. After law school, he clerked for the Honorable Malcolm R. Wilkey, U.S. Court of Appeals, District of Columbia Circuit, and for then-Associate Supreme Court Justice William H. Rehnquist at the U.S. Supreme Court.

Mr. Ayer was a member of the Attorney General's Advisory Committee of U.S. Attorneys from 1985 to 1986; of the Executive Committee of the Ninth Circuit Judicial Conference from 1983 to 1985; and of the Federal Court's Committee of the California State Bar from 1983 to 1986. He is currently on the Board of Directors for the National Association of Former United States Attorneys and is a member of the American Bar Association, including its Litigation Section and Appellate Practice Committee.

Donald Ayer has been admitted to the bars of the District of Columbia, California, various federal district courts and courts of appeals, and the United States Supreme Court. He is married to the former Anne Norton and has two children.

Mr. SMITH. Do you have a statement?

Mr. AYER. Yes, I do, Mr. Chairman. I have submitted a complete statement, and I would like to give just a brief overview of that, and then take care of any questions you may have.

Mr. SMITH. All right. Go ahead.

OPENING STATEMENT OF DEPUTY ATTORNEY GENERAL

Mr. AYER. I am pleased to appear before you today in support of the 1991 budget request for the General Legal Activities appropriation. That appropriation includes ten budget activities within the Department, which are principally responsible for overseeing the litigation activities of the Department. In addition to that, some of the budget activities are responsible for, in the case of the Office of Legal Counsel, giving critical legal advice to both the President and the Attorney General. The appropriation also includes the Special Counsel for Immigration Related Unfair Employment Practices and Interpol, which each have their own special areas of activity.

Before I begin to go into the particular aspects of our proposal, I would like to express the Department's appreciation for this subcommittee's support of the program funding increases which were enacted in this year's appropriation. For 1990, the GLA appropriation received pre-sequester funding which amounted to 98 percent of the President's request. This included program increases of $29.5 million, which was approximately 84 percent of the requested program increases amount. Full funding of the Financial Institution Fraud and Violent Crime amendments, which the Congress provided, was critical in our efforts to combat criminal activity in those areas. Given the fact that the GLA appropriation components received none of their program increases requested in regular appropriations requests for the prior two years, those funding increases for 1990 were especially critical.

In 1991, we intend to continue to meet our responsibilities for the prosecution of criminal offenses, the protection of the Treasury from the thousands of unwarranted monetary claims filed each year, the recovery of the money due to the United States and the enforcement of key Federal programs.

TRANSFER OF ORGANIZED CRIME STRIKE FORCES

After the transfer out of the criminal division of 186 positions and $13.6 million, which positions and money went to the United States attorneys to handle the work of the Organized Crime Strike Forces, we are now requesting a total of $338,546,000, funding a total of 3,538 positions within the General Legal Activities appropriation.

This request represents a net increase of 14.8 percent over the current 1990 appropriation availability. Without considering mandatory or uncontrollable adjustments, program increases total 9.6 percent.

I would like to just briefly go through, in overview form, the budget activities within the General Legal Activities appropriation. I will do this very quickly. Four of those budget activities involve no program increase for this year, so essentially our increases in those areas are all in the uncontrollable parts that adjust the base figure.

Those activities are the Solicitor General's Office, the Office of Legal Counsel, Interpol and the Office of Special Counsel for Immigration Related Unfair Employment Practices. With regard to the other six, there are program changes that I will try to just touch on very briefly, and then be happy to take questions you may have.

TAX DIVISION

In the Tax Division, we are requesting a net program increase of $5.684 million, and those increases will go primarily into automated litigation support, to support the litigation activities in complex cases, developing the document base and the ability to locate the materials in the case that we need in order to handle those cases effectively; that is $3.9 million in program increases requested.

In addition, $1.4 million is being requested to fund positions within the Tax Division which are already there, but the funding has not been provided. It has had to be diverted into other activities, and those positions will go principally into the areas of bankruptcy and debt collection.

And finally, two other areas of request; one relates to supporting our financial institution fraud litigation, $79,000 for travel. And with regard to recruitment and training and that sort of thing within the Tax Division, which has had, I think, a special problem of retention in the last few years, we are requesting a little over $300,000. That is the program increase for the Tax Division, and it constitutes a 12.5 percent program increase over the base for this year.

CRIMINAL DIVISION

For the Criminal Division, once you take out the transfer of 186 attorneys and $13.6 million for the Organized Crimes Strike Force to the United States Attorney account, we are actually asking only for an increase over the base of less than half of one percent. And the primary focus of that is in the public integrity section, where we are asking for a total of four positions to deal with cases concerning conflicts of interest, the independent counsel statute, and election crimes.

The very small amount of the increase, $236,000, is masked, I think, by the fact that within the base there is a substantial increase of approximately $11.5 million. Much of that is related to annualization of a very large number of positions which were provided this year but not funded for the whole year. In annualizing these positions, we are looking at an increase alone of about $8 million. So that increase is also requested for the Criminal Division, and the net result is that we are requesting a budget that is within, I guess, just under $2 million of our current budget, even though we are transferring out $13.6 million to the United States Attorneys. So you can see, in looking at the overall criminal enforcement activity, there actually is an appreciable increase, even though it appears the Criminal Division budget is not being increased appreciably.

ORGANIZED CRIME STRIKE FORCES TRANSFER

Mr. SMITH. How do you cover that? Could you go over that again?

Mr. AYER. Yes. We are transferring out during 1990 positions that were previously part of the Organized Crime Strike Force, which were within the Criminal Division; and along with those 186 positions which are being sent to the United States Attorneys and are now under the United States Attorney's budget appropriation, goes the $13.6 million which is necessary to fund those positions in that activity—so you have initially an adjustment to the base for the Criminal Division of $13.6 million and 186 positions being taken away.

Nonetheless, as a result of annualizing the increases in positions otherwise given last year, the Criminal Division is getting an additional $8 million for that, and then another $3 million or so, $3.5 million, for uncontrollable——

Mr. SMITH. So program-wise, where does that leave you, net?

Mr. AYER. The U.S. Attorneys are getting an extra $13.6 million of money that used to be part of the Criminal Division. If you add that into Criminal, Criminal would then be getting an increase. The request is for $61.8 million. If you add $13.6 million to that, which is the former activity now in the U.S. Attorneys, you end up with—$75.4 million—up from $63.6 million for this year.

Mr. SMITH. And after you figure annualization of that, where is that going to leave you?

Mr. AYER. That is where it leaves you. It leaves you there after the annualization; yes.

Mr. SMITH. Okay, go ahead.

Mr. AYER. But apart from all of that explanation, the other increase, other than annualization, is directed to the public integrity section, and I mentioned the positions, the kinds of positions, that we are dealing with. For public integrity four positions are added. And then there are A-76 reductions as well, so that the net, the bottom line net is to lose 187 positions, counting those A-76 reductions.

CIVIL DIVISION

For Civil Division, we are asking for a total budget figure of $102.6 million, up from $93 million; that is an absolute increase of 10.3 percent. But again, after looking at the uncontrollables, it is actually an increase over base of $5.37 million. That increase is going first and foremost into the bank and financial institutions fraud effort, which is receiving $3,419,000. Secondarily it is going to litigation relating to Medicare over payments, payments to insurers that we believe in many instances should not have been made. That is a total of $924,000, counting $447,000 for automated litigation support.

Additionally, we are requesting $485,000 to deal with Veteran's appeals, and another $539,000 to deal with a range of other kinds of problems, adding 13 positions for those purposes.

LAND AND NATURAL RESOURCES DIVISION

For the Land and Natural Resources Division, we are requesting an increase of $9 million which includes a program increase of $6.6 million. The total request is $43,724,000. The program increases there are principally in the areas of litigation support, primarily to support litigation in the Exxon case. That is $3.9 million of litigation support money for the Exxon case out of a total of litigation support money of $4.3 million. So all but $400,000 is for Exxon.

In addition, we are requesting money for additional positions, a total of 47 additional positions to deal with environmental enforcement matters, both criminal and civil. I guess actually that is 46 positions; 34 of them to deal with civil environmental enforcement matters and 12 to deal with criminal environmental enforcement matters, totaling $2,268,000.

The program increase for Lands and Natural Resources requested is 17.8 percent over the base.

CIVIL RIGHTS DIVISION

For the Civil Rights Division, we are also requesting $39,324,000. That is a total increase of 21 percent over the 1990 funding. The net program increase is 12.3 percent over base, or $4,317,000. Principally, those increases go into two areas; one is new responsibilities under the Fair Housing Act, responsibilities to enforce cases referred to us by the Department of Housing and Urban Development. We are requesting 47 new positions and $2.5 million for that purpose. We are also requesting 16 positions and $1,744,000 to deal with an additional burden under voting rights enforcement, in the voting rights enforcement area, principally related to issues arising as a result of the census. One other expense there that we are requesting funding for is for a map plotter to deal with redistricting cases. There is $100,000 for that.

Lastly, in the area of proposed increases is the Legal Activities Office Automation budget activity, where we are requesting a significant increase over this year in order to speed us ahead on the task of trying to finish out the office automation for the Department, as speedily as we are able to do so. The program increase requested is a little over $6 million, over a base of just about $17 million. That is a fairly significant increase over this year's budget. We are trying to get the Eagle equipment installed in as many of the Department's components as we are able to, as fast as we are able to.

What this will let us do is to move ahead with the installation of equipment in the Tax Division, the Criminal Division, the Justice Management Division and in the United States Attorneys offices. And to the extent that the order in which we are going forward with this is such that the United States Attorneys are probably at the last stage of this process, and we are very eager to get the country linked up utilizing this common equipment. We will then be able to communicate effectively with the field. So that is, principally, the reason that we are eager to move ahead and get this done as quickly as we can.

That completes the overview of the request that we are making, and I am happy to answer any questions you may have.

[The statement of Deputy Attorney General Ayer follows:]

DEPARTMENT OF JUSTICE
GENERAL LEGAL ACTIVITIES
STATEMENT OF THE DEPUTY ATTORNEY GENERAL
DONALD B. AYER
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I AM PLEASED TO APPEAR BEFORE YOU IN SUPPORT OF THE 1991 BUDGET REQUEST FOR THE GENERAL LEGAL ACTIVITIES APPROPRIATION. I WOULD LIKE TO EXPRESS MY APPRECIATION FOR THE SUPPORT THAT THIS SUBCOMMITTEE HAS CONSISTENTLY GIVEN THE DEPARTMENT. YOUR EFFORTS ON OUR BEHALF ARE CRITICAL TO THE SUCCESS OF OUR LAW ENFORCEMENT AND LITIGATION MISSION.

THE COMPONENTS OF THE GENERAL LEGAL ACTIVITIES APPROPRIATION, TOGETHER WITH THE UNITED STATES ATTORNEYS, AND THE ANTITRUST DIVISION, FROM WHOM YOU WILL RECEIVE TESTIMONY LATER, REPRESENT THE CORE OF THE LITIGATIVE AND PROSECUTORIAL FUNCTIONS OF THE DEPARTMENT OF JUSTICE. EVERY DAY, ATTORNEYS FROM THESE DEPARTMENTAL ORGANIZATIONS APPEAR IN COURTROOMS AROUND THE NATION STRIVING TO BRING CRIMINALS TO JUSTICE AND DEFENDING THE PUBLIC'S INTERESTS IN LITIGATION INVOLVING THE FEDERAL GOVERNMENT. I BELIEVE THAT THE DEPARTMENT HAS DONE AN IMPRESSIVE JOB IN THIS ROLE.

IN THE FISCAL YEAR ENDING SEPTEMBER 30, 1989, THE DEPARTMENT PROSECUTED 33,599 CRIMINAL CASES, AND LITIGATED 129,004 CIVIL CASES. IN FISCAL YEAR 1991, WE EXPECT TO PROSECUTE NEARLY 41,000 CRIMINAL CASES, AND LITIGATE OVER 131,000 CIVIL CASES. THIS REPRESENTS A 22 PERCENT INCREASE IN CRIMINAL CASES ALONE. THESE FIGURES, OF COURSE, INCLUDE THE WORKLOAD OF THE UNITED STATES ATTORNEYS, OUR PRINCIPAL LITIGATION COMPONENT. HOWEVER, THE LITIGATION CONTRIBUTIONS OF THE COMPONENTS IN THIS APPROPRIATION, ALONG WITH THEIR SUBSTANTIAL EFFORT IN SUPPORTING THE WORK OF FEDERAL ATTORNEYS IN 94 JUDICIAL DISTRICTS ACROSS THE NATION, CANNOT BE OVERLOOKED.

MR. CHAIRMAN, BEFORE I DISCUSS THE HIGHLIGHTS OF OUR 1991 GENERAL LEGAL ACTIVITIES (GLA) BUDGET REQUEST, I WOULD LIKE TO EXPRESS THE DEPARTMENT'S APPRECIATION FOR THIS SUBCOMMITTEE'S SUPPORT OF THE PROGRAM FUNDING INCREASES WHICH WERE ENACTED IN THIS YEAR'S APPROPRIATION. FOR 1990, THE GLA APPROPRIATION RECEIVED PRE-SEQUESTER FUNDING AMOUNTING TO 98 PERCENT OF THE PRESIDENT'S REQUEST; THIS INCLUDED PROGRAM INCREASES OF $29,485,000, SOME 84 PERCENT OF THE REQUESTED AMOUNT. FULL FUNDING OF THE FINANCIAL INSTITUTION FRAUD AND VIOLENT CRIME AMENDMENTS, WHICH THE CONGRESS PROVIDED, WAS CRITICAL TO OUR EFFORTS TO COMBAT CRIMINAL ACTIVITY IN THOSE AREAS. GIVEN THE FACT THAT THE GLA APPROPRIATION COMPONENTS RECEIVED NONE OF THE PROGRAM ENHANCEMENTS REQUESTED IN REGULAR APPROPRIATIONS REQUESTS FOR THE

TWO PREVIOUS YEARS, THE FUNDING INCREASES ENACTED IN 1990 WERE ESSENTIAL.

IN 1991, WE INTEND TO CONTINUE TO MEET OUR RESPONSIBILITIES FOR THE PROSECUTION OF CRIMINAL OFFENSES, THE PROTECTION OF THE TREASURY FROM THE THOUSANDS OF UNWARRANTED MONETARY CLAIMS FILED EACH YEAR, THE RECOVERY OF MONEY DUE TO THE UNITED STATES, AND THE ENFORCEMENT OF KEY FEDERAL PROGRAMS. AFTER THE TRANSFER OUT OF 186 POSITIONS AND $13,600,000 FROM THE CRIMINAL DIVISION TO THE U. S. ATTORNEYS FOR THE ORGANIZED CRIME STRIKE FORCES, WE ARE REQUESTING A TOTAL OF $338,546,000, TO FUND 3,538 POSITIONS IN THE GENERAL LEGAL ACTIVITIES APPROPRIATION. THIS REQUEST REPRESENTS A NET INCREASE OF $43,657,000 OR 14.8 PERCENT OVER THE CURRENT 1990 APPROPRIATION.

CIVIL LITIGATION

THE PRESIDENT'S BUDGET SEEKS CRITICAL RESOURCE ENHANCEMENTS TO SUPPORT THE DEPARTMENT'S INCREASING CIVIL LITIGATION WORKLOAD. PROGRAM INCREASES TOTALING $5,367,000 AND 96 POSITIONS (INCLUDING 59 ATTORNEYS) ARE REQUESTED FOR THE CIVIL DIVISION. THIS REPRESENTS A 10.3 PERCENT INCREASE IN BUDGET AUTHORITY OVER OUR 1990 APPROPRIATION. WE ARE PROPOSING THAT $3,419,000, AND 60 POSITIONS (INCLUDING 36 ATTORNEYS) BE DEVOTED TO BANK FRAUD CASES PURSUANT TO PASSAGE OF THE FINANCIAL INSTITUTION REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989. WE ALSO BELIEVE THAT THE BADLY

OVERWORKED CIVIL DIVISION NEEDS MORE RESOURCES TO DEFEND VETERAN'S AFFAIRS REGULATIONS, RECOVER MEDICARE OVERPAYMENTS, AND LITIGATE CASES OF NATIONAL IMPORTANCE IN SUCH AREAS AS OLD AGE CARE, THE POPULATION CENSUS AND DRUG TESTING.

MR. CHAIRMAN, WE MUST ALSO PROTECT OUR ENVIRONMENT FOR FUTURE GENERATIONS AND WE CAN ONLY DO THAT IF WE PURSUE AN AGGRESSIVE AGENDA. AS SUCH, WE REQUEST AN ADDITIONAL $5,926,000 AND 34 POSITIONS (INCLUDING 18 ATTORNEYS) FOR THE LAND AND NATURAL RESOURCES DIVISION'S CIVIL LITIGATION EFFORTS. THE WORKLOAD TO BE ADDRESSED WITH THIS ENHANCEMENT RANGES FROM CASES INVOLVING NATURAL RESOURCE DAMAGES FROM THE EXXON-VALDEZ OIL SPILL, TO CASES INVOLVING THE MISHANDLING OF HAZARDOUS WASTE, TO THE IMPLEMENTATION OF NEW LEGISLATIVE INITIATIVES INCLUDING THE OCEAN DUMPING BAN ACT, AND MEDICAL WASTE TRACKING LEGISLATION. WE HAVE INCLUDED $4,300,000 FOR AUTOMATED LITIGATION SUPPORT (ALS), OF WHICH $3,900,000 IS NEEDED SPECIFICALLY FOR THE EXXON-VALDEZ CASE.

AS AN EXAMPLE OF THE EFFECT OF OUR ENVIRONMENTAL WORK, I'D LIKE TO POINT OUT THAT IN 1989, THE LANDS DIVISION RECOVERED OVER $117 MILLION IN COSTS EXPENDED BY SUPERFUND AND FORCED DEFENDANTS TO UNDERTAKE VARIOUS TOXIC WASTE CLEANUP ACTIVITIES VALUED AT OVER $645 MILLION.

OUR TOTAL REQUEST FOR THE LANDS DIVISION REPRESENTS A 26 PERCENT INCREASE IN BUDGET AUTHORITY OVER OUR 1990 APPROPRIATION AND TRULY REFLECTS OUR GROWING COMMITMENT TO ENVIRONMENTAL ENFORCEMENT.

THE WORK OF THE TAX DIVISION, MR. CHAIRMAN, WILL ALSO EXPAND AND WE REQUEST ENHANCEMENTS TOTALING $5,102,000 FOR THE CIVIL TAX CASELOAD. INCLUDED ARE RESOURCES TO FUND THE DIVISION'S AUTHORIZED WORKYEAR LEVEL, ALLOWING THE DIVISION TO HANDLE INCREASING BANKRUPTCY AND DEBT COLLECTION CASELOADS, AS WELL AS ADDITIONAL RESOURCES FOR ALS. RESOURCES FOR ALS WILL ALLOW THE DIVISION TO CATCH UP WITH THE PRIVATE SECTOR WHO HAVE FAR GREATER ACCESS TO SUCH LEGAL RESEARCH TOOLS. ALL IN ALL, THE TAX DIVISION'S 1991 REQUEST REPRESENTS A 19.5 PERCENT INCREASE OVER OUR 1990 APPROPRIATION.

THE WORK OF THE CIVIL RIGHTS DIVISION IS ALSO EXPANDING. LAST YEAR WE FOCUSED ON ESTABLISHING AN OFFICE OF REDRESS ADMINISTRATION SO THAT THE DEPARTMENT COULD MAKE PAYMENTS TO 60,000 OR MORE PERSONS OF JAPANESE ANCESTRY INTERNED DURING WORLD WAR II. THIS YEAR WE SHIFT OUR ATTENTION TO VOTING SECTION WORKLOAD INCREASES AND ENFORCEMENT OF THE FAIR HOUSING AMENDMENTS ACT OF 1988. OUR 1991 REQUEST, WHICH INCLUDES NET PROGRAM INCREASES TOTALING 58 POSITIONS AND $4,317,000, WILL REPRESENT A 21 PERCENT INCREASE OVER THE DIVISION'S 1990 APPROPRIATION.

CASH COLLECTIONS ARE ONE MEASURE OF ACHIEVEMENT BY WHICH THE EFFECTIVENESS OF OUR LITIGATIVE EFFORT CAN BE JUDGED. COLLECTIONS BY THE U.S. ATTORNEYS AND LEGAL DIVISIONS INCREASED FROM $479 MILLION IN 1988 TO $627 MILLION IN 1989, A 31 PERCENT INCREASE. THE GENERAL LEGAL ACTIVITIES ORGANIZATIONS ACCOUNTED FOR COLLECTIONS AMOUNTING TO $301 MILLION IN 1989, NEARLY ONE-HALF OF THE OVERALL TOTAL AND A 62 PERCENT INCREASE OVER 1988 GLA COLLECTIONS. THE U.S. ATTORNEYS AND LEGAL DIVISIONS CASH COLLECTION ACTIVITY IN 1989 REPRESENTS $0.85 IN CASH COLLECTED FOR EACH $1.00 OF BUDGET AUTHORITY, A VERY HIGH RETURN ON EACH DOLLAR INVESTED.

CRIMINAL PROSECUTION

AS I MENTIONED EARLIER, MR. CHAIRMAN, THIS BUDGET REFLECTS THE TRANSFER OF 186 POSITIONS AND $13,600,000 FROM THE CRIMINAL DIVISION TO THE U. S. ATTORNEYS FOR THE ORGANIZED CRIME STRIKE FORCE UNITS. WE BELIEVE THIS WILL STRENGTHEN OUR EFFORTS IN ORGANIZED CRIME AND PROVIDE OUR FRONT-LINE PROSECUTORS THE FLEXIBILITY THEY NEED TO GET THE JOB DONE.

AS YOU KNOW, WE RECEIVED SUBSTANTIAL INCREASES LAST YEAR FOR THE VIOLENT CRIME INITIATIVE AND OUR REQUEST THIS YEAR INCLUDES OVER $8 MILLION IN ANNUALIZATION COSTS FOR THIS EFFORT. HOWEVER, WE ARE ALSO REQUESTING SMALL INCREASES TO FUND THE GROWING NUMBERS OF CRIMINAL PROSECUTIONS. FOR THE CRIMINAL DIVISION WE REQUEST A

PROGRAM INCREASE OF $262,000 AND 4 POSITIONS (INCLUDING 3 ATTORNEYS) FOR WORKLOAD ASSOCIATED WITH CONFLICT OF INTEREST ISSUES, INDEPENDENT COUNSEL MATTERS AND ELECTION CRIMES. WE ARE ALSO REQUESTING AN INCREASE OF $279,000 FOR THE TAX DIVISION'S WORK WITH FINANCIAL INSTITUTION FRAUD CASES. FINALLY, AN INCREASE OF $642,000 AND 12 POSITIONS (INCLUDING 5 ATTORNEYS) IS REQUESTED FOR THE LANDS DIVISION TO PROSECUTE ALLEGED CRIMINAL VIOLATIONS OF ENVIRONMENTAL STATUTES.

MANAGEMENT IMPROVEMENTS

IN THE AREA OF MANAGEMENT IMPROVEMENTS, WE ARE REQUESTING A PROGRAM INCREASE OF $6,225,000 FOR LEGAL ACTIVITIES OFFICE AUTOMATION IN 1991. THIS FUNDING WILL ENABLE THE LITIGATING COMPONENTS TO INCREASE EFFICIENCY, STRENGTHEN MANAGEMENT AND IMPROVE PRODUCTIVITY IN THEIR LITIGATING EFFORTS. DURING 1991, THE U.S. ATTORNEYS WILL COMPLETE THE INSTALLATION PHASE FOR EAGLE SYSTEMS IN ALL DISTRICTS. THE 39 DISTRICTS SCHEDULED TO BE BROUGHT ONLINE IN 1991 WILL INVOLVE THE LARGEST U.S. ATTORNEY OFFICES, INCLUDING THE EASTERN AND SOUTHERN DISTRICTS OF NEW YORK AND ALL OF CALIFORNIA AND FLORIDA. ALSO IN 1991, THE CRIMINAL AND TAX DIVISIONS WILL FINISH THE INSTALLATION PHASE FOR THEIR OFFICES.

FURTHERMORE, WE ARE REQUESTING AN INCREASE OF $325,000 TO ADDRESS THE TAX DIVISION'S PROBLEM OF RECRUITING AND RETAINING QUALIFIED

ATTORNEYS. THIS FUNDING WILL BE USED TO ESTABLISH A PROFESSIONAL DEVELOPMENT PROGRAM FOR THE DIVISION'S ATTORNEYS, TO INITIATE AN AGGRESSIVE RECRUITMENT PROGRAM, AND TO PROVIDE AWARDS FOR OUTSTANDING EXPERIENCED PROFESSIONALS.

FINALLY, PROGRAM REDUCTIONS TOTALING $75,000 AND 14 POSITIONS WILL BE REALIZED FROM A-76 MANAGEMENT SAVINGS FOR THE TAX, CRIMINAL AND CIVIL RIGHTS DIVISIONS.

MR. CHAIRMAN, THIS CONCLUDES MY PREPARED STATEMENT. I WILL BE PLEASED TO RESPOND TO ANY QUESTIONS THAT YOU OR THE OTHER MEMBERS OF THE SUBCOMMITTEE MAY WISH TO ASK.

JAPANESE-AMERICAN REDRESS PAYMENTS

Mr. SMITH. How are you coming with processing of the Japanese-American redress payments?

Mr. AYER. Well, I think we are doing well.

Mr. SMITH. How many payments will you be able to handle in FY 1991, and how many dollars?

Mr. AYER. Well, my understanding is that we will be able to pay out, I think, the $500 million that is requested for 1991.

Mr. SMITH. But will you have enough processed so you could pay more—add more money—or not?

Mr. AYER. I am not certain. What I know is that we are able to meet that objective, and I think the people from that office are here, so maybe——

Mr. BRATT. I am Bob Bratt, the Administrator—and we could if we knew it early enough on. We believe that the 25,000 we need to have verified will be done by about the middle of the Summer, and if there is more money available, we could continue to verify individuals through the rest of the Summer.

Mr. SMITH. How much more?

Mr. BRATT. Probably an extra 10,000, possibly as many as 10,000 more people.

Mr. SMITH. And how many dollars would that be?

Mr. BRATT. $200 million more.

Mr. SMITH. I see. Is there any intention for submitting another request for an adjustment in this or not?

Mr. BRATT. Well, the law states that there is a limitation on how much money can be spent the first year and that is $500,000,000.

Mr. SMITH. That was in the law?

Mr. BRATT. Yes.

Mr. SMITH. So what age does that get down to?

Mr. BRATT. We will not know exactly until we finish verifying the first 25,000. But my best guess right now is we believe it will be somewhere around the middle of the 69 year-old individuals.

INTERPOL

Mr. SMITH. You mentioned Interpol. I thought you had a decrease for Interpol. You indicated you have level funding? Did I hear you right?

Mr. AYER. No, actually there is a decrease. But it is not a decrease below the base. The base is adjusted by virtue of the fact that there are uncontrollable increases, and there are also decreases that result from one-time expenditures on new equipment, which are being made during 1990. Those expenditures do not need to be repeated next year, and therefore, we have a base reduction of $347,000 offset by $304,000 in uncontrollable increases.

So you are quite correct; there is a net reduction of $43,000. When you net those out, you end up with a reduction of $43,000 below the 1990 appropriation. But it is not a program decrease at all. It is simply a matter of not having to buy new equipment, netted out against the uncontrollable increases.

Mr. SMITH. With all the attention we have got on intelligence gathering, I thought this was one place where there would probably be an increase, is that not right?

Mr. AYER. Well Interpol is an important communication link. It is not, however, an investigative activity.

Mr. SMITH. Are they involved in this increased activity in intelligence gathering?

Mr. AYER. They are involved in the function of communicating internationally, and the assessment that has been made is that the funding level that we are proposing is adequate—given the increases they have had, at least to allow them to perform the functions that are necessary. They are not a criminal investigative agency, nor are they a significant intelligence analyzing agency.

What they are is an important international communications network.

Mr. SMITH. Won't those international communications facilities and that network be used in this intelligence gathering?

Mr. AYER. Well, I think they are, to some extent. I think we have to be careful not to duplicate the main line investigative work and analytical work that is being done by the Drug Enforcement Administration and the Federal Bureau of Investigation. And I think it would be a mistake to channel larger amounts of money to Interpol on the theory that they are going to take over functions that, in fact, are being well-performed by DEA and FBI with expanded funding that is available for them in those areas.

Mr. SMITH. Are you saying they will play a very minor role in this?

Mr. AYER. Well, I think in the area where they operate, they play an important role. But I think you have to appreciate the nature of the niche that they fill. It is an international organization that has channels of communication that are utilized—official channels of communication that do play an important role. But they are not a general intelligence gathering organization. They do not run a large data bank that is being widely expanded beyond the official international channels that exist.

I am informed that there is presently a review under way of Interpol relating to precisely the nature of the role that it plays. But in the past, the role that it has played is the one that I have described.

VACCINE INJURY CASES

Mr. SMITH. What about vaccine injury cases?

Mr. AYER. Well, we are in the process of staffing up within the Civil Division in order to deal with those. And my understanding is that we are on track in terms of doing that. There is a system, of course, that is being put in place involving the Claims Court and involving the Department of Justice attorneys.

In fact, I spoke this morning with the head of the Civil Division about this very issue, and he assures me that it is moving ahead, at least on schedule in terms of getting the job done and in terms of spending the designated monies.

My understanding is that the funding for this ultimately will come out of the Vaccine Injury Trust Compensation Fund.

Mr. SMITH. What would that amount to, if we had to do that annually? Would it require that it come out of the fund? What would it amount to?

Mr. **Ayer**. I think so. My understanding is that for this year, the amount is $1 million, and for next year, the amount is $1.5 million. And with that, the amount that we are proposing is $1.5 million, and the nature of our request—the increase is due in large part to fund 12 additional work years—I am sorry—12 additional work years in 1990 are being added, and 18 additional work years in 1991. So as best we can assess the needs now, the funding for this year and requested for next year will be adequate.

Mr. **Smith**. The reason I asked the question to start with; I understood you had a supplemental request for FY 1990 for more money for this purpose.

Mr. **Ayer**. For 1990? You are right; we have sought an additional $500,000 for 1990.

Mr. **Smith**. Mr. Early.

EAGLE PROJECT

Mr. **Early**. Mr. Ayer, on project Eagle, you suggest that the last step we are getting to on that is the U.S. Attorney's office. We don't have anything until we have them all set, do we?

Mr. **Ayer**. Oh, I think we have something, yes.

Mr. **Early**. Yes, but when you've got the tax office, the criminal justice management division and the Office of the U.S. Attorney, until we get automated there, that's what the idea of it is, I would assume.

Mr. **Ayer**. Well, I may have misled you. The U.S. Attorney's are being progressively installed now.

Mr. **Early**. Yes?

Mr. **Ayer**. It's being done as quickly as we are able to do it, given the funding. And I agree that it is very important that we move ahead quickly to finish the job.

Mr. **Early**. Would this $6 million, complete that? Is that the final step, or is that a three- or five-year plan and that's the first phase of it?

Mr. **Ayer**. My understanding is that this will complete it in 1991. The funding we requested will complete the installation. The payments will continue in the future, but it's a lease-to-own program. But the installation will be completed in 1991. The anticipated need for 1992 is $58,617,055, for 1993, $55,466,000. That is not to install; that is to pay the lease payments. And ultimately we will end up owning the equipment.

ALS FUNDING FOR EXXON VALDEZ

Mr. **Early**. Okay. But it doesn't seem like we're moving.

But I will take that up with the U.S. Attorney.

In your statement on page 4, would you explain a little more about that automated litigation support? You have included $4,300,000 for all of it.

Mr. **Ayer**. Yes.

Mr. **Early**. Of which $3,900,000 is needed specifically for the Exxon Valdez case.

Mr. **Ayer**. Right.

Mr. **Early**. Do we get this automation, and then after the case it's gone, or what?

Mr. **Ayer**. Well, the $3.9 million is the total expected price tag for all the litigation support services in connection with that case. And to be honest with you, I don't know the answer to that. I think it is all gone, because we are buying services. So to that extent it is gone.

Mr. **Early**. Has Justice put a price tag on what it thinks the Exxon-Valdez case will cost?

Mr. **Ayer**. I don't know if they have or not.

Mr. **Early**. Would you supply that for the record?

Mr. **Ayer**. Yes, I will. I would be happy to.

[The information follows:]

JUSTICE RESOURCES DEVOTED TO EXXON-VALDEZ LITIGATION

For 1990, we currently anticipate that the total costs to the Department will be in the neighborhood of $8.1 million for both the criminal and civil cases. This does not include an estimated $3.5 million for scientific and economic studies which we understand will be borne by the trustee agencies (Interior, Commerce and Agriculture). This estimate also does not include personnel costs for Department staff assigned to this case.

EXXON VALDEZ CASE

Mr. **Early**. If it's going to be astronomical, I would think it would be in everyone's best interest to settle it.

Mr. **Ayer**. Well, there have been some discussions. There had been discussions about that possibility.

Mr. **Early**. I think it would be a more common-sense approach. I mean I am sure there may be some criminal involvement and this and that, but to spend that type of money for all the consultants attorneys and everything else.

FINANCIAL INSTITUTIONS FRAUD

On page 7, on the S&L's, you say there is an increase of $279,000 for the Tax Division's work with financial institutions fraud cases, that is the worst of the S&Ls. Did we give you $50 million for just S&L?

Mr. **Ayer**. Yes. That's right.

Mr. **Early**. Okay. So that $279,000 isn't connected with the S&L part?

Mr. **Ayer**. The $50 million went into the FBI, the U.S. Attorneys and the Criminal Division, and a limited amount went into the Tax Division.

Mr. **Early**. Oh, so this is just in your division?

Mr. **Ayer**. $279,000 here is just for the Tax Division. This is a request, an additional request for 1991.

ORGANIZED CRIME

Mr. **Early**. Okay. On page 6, with regard to the Organized Crime, Organized Crime is in drugs now; right?

Mr. **Ayer**. The Organized Crime Drug Enforcement Task Force?

Mr. **Early**. No, I mean Organized Crime.

Mr. **Ayer**. They certainly do have some activities.

Mr. **Early**. So when we identify money for Organized Crime, they might be interconnected?

Mr. AYER. Well, that depends[illegible] think you have to look at the particular budget activity to which the appropriation goes. There is—and it's confusing because there is an Organized Crime Drug Enforcement Task Force appropriation, I should say, which we have a hearing on next week, which is separate from the Criminal Division, which has within it a narcotics section and an organized crime section. So I don't know how to answer your question except to say—

Mr. EARLY. I'm have difficulty; I can't trace where anything is, I mean if it's organized crime or it's organized crime drugs.

Mr. AYER. Well, I would agree that there are a lot of labels and they are not altogether easy to understand.

But I think we do have, in fact, in operation a structure which is fairly sensible, and one of its objectives is to assure that resources are channeled into the activities that the Congress and the Administration want to direct them into.

There is something that needs to be watched, I think, and that is not to allow resources, where a priority has been set, to drift into dedication to other activities.

We have tried very hard, for example, through the organized crime strike force program to assure—it was true prior to the transfer to U.S. Attorneys, and it's no less true after—that we are very careful to police the dedication of those resources to organized crime enforcement. And we spend time focusing on what we mean by organized crime and making sure that we are single-mindedly moving in that direction with that body of resources.

The same thing is true with regard to the OCDETF program, which is a different program, aimed at utilizing multiple agencies both with the Justice Department and Treasury and other branches of the Government to pursue major drug cases.

I am involved personally in overseeing both of those activities and in trying to make sure that we really are doing the best job we can, both just in terms of investigative expertise being brought to bear and prosecutorial ability, and also in terms of making sure that we really are channeling these dedicated resources into these activities. So that is why we——

Mr. EARLY. We could follow it much more easily when you implement Eagle.

Mr. AYER. I think that's true.

Mr. EARLY. Thank you, Mr. Chairman.

EXXON VALDEZ LITIGATION

Mr. SMITH. Mr. Dwyer.

Mr. DWYER. Thank you, Mr. Chairman.

Let's go back to the Valdez happening just for a second; In your suit against Exxon, you state you would be pursuing damages. But would you also be pursuing expenses in connection with the case?

Mr. AYER. Yes, certainly.

Mr. DWYER. You would. You would.

Mr. AYER. Certainly. Attorneys fees and so forth.

Mr. DWYER. Attorneys fees, et cetera.

Is it common belief that if the award, and if you were successful, you would have a judgment in both areas?

Mr. AYER. Well, if we are successful, we will probably get some judgment in both areas. As to what we will actually get, it is hard to know. Of course, it's hard to know what the nature of the outcome will be for sure.

ARTHUR KILL AND KILL VAN KULL

Mr. DWYER. Yes.

There have been some oil spills in the Arthur Kill and the Kill van Kull, the body of water between New Jersey and New York. Are you presently pursuing criminal investigations there?

Mr. AYER. I am not aware if we are or not, but I can certainly find out.

Mr. DWYER. Well, I wonder what would be different about the spill in Alaska and the spill in the Arthur Kill and the Kill van Kull? For my own betterment.

Mr. AYER. I can't tell you. And I can't tell you there is anything different. I just don't know the answer to your question.

Mr. DWYER. Would you find out and provide it for the record?

Mr. AYER. Yes.

[The information follows:]

ARTHUR KILL OIL SPILL

As with the Exxon-Valdez oil spill, a criminal investigation into the Arthur Kill oil spill has been initiated by both the U.S. Attorney offices in the District of New Jersey and the Eastern District of New York as well as the EPA and the FBI.

Mr. DWYER. And if you are not proceeding in that area——

Mr. AYER. I am informed that the criminal section of Lands is indeed looking at that, at that spill.

THE LANDS DIVISION REQUEST

Mr. DWYER. Fine. Thank you.

You are asking for more attorneys in this area, and $2.3 million. Will all these positions be after an accident or before an accident or some before and some after?

Mr. AYER. Before what?

Mr. DWYER. Before you have a happening or after? The new positions that you are asking for in the environmental area, will they just be thrown into play when there is an accident?

Mr. AYER. Well, no—it is not solely a matter of accidents. In fact, I think it is mostly not a matter of accidents, it's a matter of dealing with various kinds of noncompliance with environmental laws, which are not solely with Superfund-type situations, with pollution, noncompliance with the Clean Air Act, the Clean Water Act.

Mr. DWYER. So you would actually depend upon an outside agency to initiate your activities? Am I correct in that?

Mr. AYER. You mean EPA?

Mr. DWYER. EPA or whatever.

Mr. AYER. Well, EPA——

Mr. DWYER. Maybe a Governor, maybe a Congressman, maybe a Senator.

Mr. AYER. Sometimes we would.

Mr. DWYER. Maybe the public?

Mr. AYER. Sometimes. I am not sure that that is always true. I am not sure that there aren't some that we may end up initiating.

Mr. DWYER. I was just trying to get defined in my own mind exactly what these people will be doing.

Mr. AYER. Well, 34 of the 47 new positions that we are asking for, one of them will be a staffer related to the automated litigation support effort, 34 will be involved in civil litigation, and of those 34, 18 will be lawyers, 12 will be involved in criminal enforcement activities in the environmental area, and I am not sure the number of lawyers. I think it's probably about seven or eight.

So the ratio of civil to criminal is about three to one, roughly, between those new personnel.

Mr. DWYER. I take it you intend more activity on the part of the Justice Department in the environmental area, or do you anticipate more happenings in the environmental area, or a combination of both?

Mr. AYER. Well, certainly more activity. And my guess is that—I don't know if you mean by happenings, accidents?

Mr. DWYER. Accidents.

Mr. AYER. Well, I don't know. I don't know if there is any reason to anticipate that.

Mr. DWYER. Of course, there are some dumpings that occur that are not very accidental.

Mr. AYER. Well, right. Accidents or other events. I can't speak to whether that is likely to be increased or decreased. But I think it's fair to say that our enforcement activity will be significantly increased.

Mr. DWYER. Well, I think that it is a fair assumption that if you have vigorous enforcement, illegal dumpings and such activities will decrease.

Mr. AYER. Hopefully.

Mr. DWYER. Sure.

Mr. AYER. Yes.

Mr. DWYER. Thank you, Mr. Chairman.

INCREASED WORKLOAD IN THE CIVIL RIGHTS DIVISION

Mr. SMITH. You have a request in the Civil Rights Division for a $2.5 million increase for what you call increased workload. What is the nature of that workload?

Mr. AYER. We are requesting $2.5 million related to increased workload under the Fair Housing Act, and that is a result of the amendment of the Fair Housing Act in, I believe, 1988, which essentially created a process whereby the Department of Housing and Urban Development, after reviewing cases of alleged discrimination in housing, refers them to the Department of Justice to be pursued in court. And under the statute, those referrals must be pursued in court by the Department of Justice.

They have already resulted in—I think that went into effect March 12 of 1989, and since that time they have resulted in, I think, 40 cases being filed in court by the Department of Justice, and the numbers are increasing all the time. The referrals began slowly, and they are now picking up speed, and we expect the numbers of cases to grow. I don't think we have any way of knowing for sure, but I think we have every reason to think that within a year or two we are going to be in the hundreds, certainly, per year being filed. It may well be in the 200–300–400 range.

So we look for a significant increase in activity in the fair housing area.

Mr. SMITH. Was there no mechanism previously to get those to court?

Mr. AYER. Well, there was a mechanism and there is a continuing mechanism under the Act, as it existed previously, to bring certain kinds of cases. I know pattern and practice cases were brought by the Department, and my understanding is the Department did intervene in other private actions. And there may be additional ways that we were involved.

But this new activity of a relatively routine pattern of referrals from HUD to the Department where when the matter is referred, after investigation by HUD, it must go to court, must be taken there by the Justice Department. That is a new channel.

Mr. SMITH. Were they being dropped before, or why weren't these cases acted on?

Mr. AYER. Well, these are principally cases, I believe, involving individual discrimination, individual acts of discrimination, and I think previously—I can't tell you for sure whether we did not have authority; but in any event it was not, probably for that reason, something that we were actively involved in pursuing—individual cases.

Mr. SMITH. Well, was someone else doing it then?

Mr. AYER. Well, I think the individuals were able to do it themselves. This is a new enforcement mechanism which puts the burden on the Government to pursue these unfair actions.

Mr. SMITH. All right. Who did it for the individuals? How did they do it?

Mr. AYER. Well, I assume principally through their own lawyers, through private lawyers, as is the case under Title VII, for example, or under other discrimination statutes.

Mr. SMITH. I understand you have a prepared statement concerning the Japanese-American Redress Program. Would you please provide it for the record?

[The statement of Mr. Turner regarding the Japanese-American Redress Program follows:]

DEPARTMENT OF JUSTICE
OFFICE OF REDRESS ADMINISTRATION
STATEMENT OF THE ACTING ASSISTANT ATTORNEY GENERAL FOR THE CIVIL RIGHTS DIVISION
JAMES P. TURNER
SUBMITTED TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and members of the Subcommittee:

I appreciate both your continuing interest in the Redress Program, and the opportunity to bring you up to date on our activities. Since I met with you about a year ago, we have made significant progress. But, with $500 million available to begin payments in Fiscal Year 1991, we still have an ambitious agenda ahead for the next several months. Thus, I will be discussing both our accomplishments and our goals for the future.

Since I had the opportunity to speak with you last, several significant events have occurred. First, implementing regulations were signed by the Attorney General on June 14, 1989, and published in the Federal Register for public comment. ORA received 157 comments. Of those, 130 were based on two form letters supporting eligibility for three groups that were initially excluded: Japanese American minors who were relocated to Japan during World War II, Latin American Japanese brought to the United States for internment during the war, and children born to parents who had voluntarily evacuated the excluded zones. The first two groups are clearly excluded by statutory language.

Furthermore, we have determined that children born to voluntary evacuees are similar to children born after their parents had departed from internment camps who are also not eligible. Therefore, no changes were made to include any of these three groups.

Thirteen other comments pertained primarily to our requests for documentation verifying the identity of potentially eligible persons. In response to these comments, ORA significantly lessened the burden of required documentation without adversely affecting the integrity of the program. This was achieved by eliminating the requirement for original documentation and by assuming a greater portion of the responsibility through use of existing sources of official vital statistics information, primarily the records of the Social Security Administration. On August 10, 1989, exactly one year after the Civil Liberties Act of 1988 became law, the Attorney General signed the final regulations.

Second, as you are well aware, the Civil Liberties Act was amended on November 21, 1989, and is now an entitlement program. In accordance with this amendment, payments to the first 25,000 Japanese Americans who are eligible under the Act will begin in Fiscal Year 1991. Although this constitutes a formidable workload, we are absolutely committed to being ready to begin issuing checks immediately after funds for that purpose are released. To meet this workload, ORA is now well into in the second phase of the redress program.

You may recall that soon after its establishment, ORA initiated a three-phase implementation plan. Phase one, "Identification and Location" is now largely complete. To identify potential eligibles from the historical records of the U.S. Government, ORA has established a master list which specifically identifies over 119,300 Japanese Americans known to have been interned or evacuated. We believe this master list is now more than 99 percent complete. The last remaining individuals who need to be identified will be more difficult, and this task could take years to complete. These are largely those whose names are not recorded in historical records, including some voluntary evacuees and a very small number of persons held at obscure locations.

Through an intensive public outreach campaign, we believe we have located most potential eligibles. Voluntary contacts to ORA from potential eligibles as well as others wishing to volunteer information to assist the program now exceed 78,000. We are not able to state precisely what portion of living eligibles this number represents. However, based on actuarial estimates and our own experience to date, we believe we have now located nearly all living eligibles. For example, for those former internees with years of birth through 1914, we have located 8,503 living eligibles, 6 percent more than predicted by our recent actuarial study.

Phase two, "Verification and Notification" is now in progress. To ensure that ORA is ready to make payments, the staff size has been increased. I believe these increases, however, are very moderate considering the task at hand. At this time last year, we had a staff of just 8 federal employees and a small number of contract employees. Today we have a staff of 12 federal employees and 31 contract personnel. Not wishing to rely solely on increased staff, we have placed great emphasis on efficiency in case processing. Through automated improved methods, we have doubled the productivity of our case analysts. Last fall, a single analyst was able to process an average of 15 cases in a workday. Today, our analysts are processing upwards of 30 cases daily.

Our staff began verification of eligibility immediately after implementing regulations were signed on August 10. In the fall, our progress was somewhat slow. To improve our performance, we thoroughly analyzed our procedures and implemented changes, including an automated verification procedure. Our productivity took a sharp swing upward from December through February. This was the result of the application of our new methods as well as overtime used to clear our backlog. We are now proceeding at a normal rate of approximately 2,000 cases a month.

In preparation for payments, ORA is currently reviewing cases in order of age and sending out letters of potential eligibility. Persons receiving these letters are asked to submit documentation to ensure that ORA has indeed correctly identified and located the potential eligible. As I have mentioned, required documentation is kept to a minimum. All potential eligibles must complete a Declaration of Eligibility. In some instances, eligibles are required to submit additional documentation such as proof of birth, name change, and current address, but these documents are only required where ORA is unable to obtain the information from a government source.

Once ORA has reviewed this documentation, the case is ready for payment. The first letters were sent in August, 1989, and ORA has now sent out over 12,500 letters.

These first letters have, of course, gone to very elderly people. In fact, almost 1,600 letters have been sent to Japanese Americans born before the turn of the century. As I have stated, ORA has made every effort to simplify requirements and to place as little burden on potential recipients as possible. We have two new publications to explain the verification process that I am submitting for the record. One is a flyer entitled "Verifying your Eligibility" that outlines the process in detail, and the other is a booklet entitled "Redress Regulations, Questions and Answers" that answers the most commonly asked questions. Further, public outreach efforts are continuing through extensive public speaking engagements, workshops, and a series of press releases to ensure that information is receiving the largest possible distribution.

At this point, ORA is experiencing only two serious problems. First, we are concerned that recipients are slow to respond. Of the first 9,536 who were sent letters of potential eligibility, only 5,739 have returned documentation. Second, about half of the responses require follow-up letters because the documentation submitted is incomplete. To ensure that delayed or incomplete responses do not seriously impact ORA's ability to begin payments in October, 1990, we are taking several steps. Toll-free help lines have just been established to assist those who are having difficulty understanding instructions or locating required documentation. Further, we have evaluated our original notification letters and have re-written them to state requirements more clearly. As a last step, we are planning to begin a series of follow-up letters to potential eligibles who have not responded within 60 days of the original letter. I feel confident that as a result of these steps, responses will become more timely and that the necessity for additional requests for documentation will significantly decrease.

I take pride in the great strides ORA has taken in the redress program since its beginning only eighteen months ago. I believe that we have established excellent rapport within the Japanese American community, and we are gratified by their wholehearted support of our efforts. We are successfully managing a large workload, and I am confident that we will be fully prepared to begin payments in October, 1990.

I'll close by summarizing my statement, in terms of our three-phase implementation plan. Phase I is "Identification and Location." We estimate that both aspects of these phase are nearly complete, at 99 and 95 percent, respectively. Phase II is "Verification and Notification." We have established production goals of 2000 verifications per month, and we are now slightly exceeding that rate. As I have stated, we have now sent out more than 12,500 letters, 50 percent of those necessary to make payments in Fiscal Year 1991.

The final phase of the Redress Program is, of course, "Payment." As you know, the entitlement legislation calls for a three-year funding schedule, beginning in Fiscal Year 1991, and with the final phase to begin in Fiscal Year 1993 and continuing through Fiscal Year 1998. I am looking forward with great anticipation to that day in the very near future when our government begins the final step by issuing the first payment.

Thank you for the continuing interest of this Subcommittee.

JAPANESE AMERICAN REDRESS PROGRAM

THREE PHASES

PHASE I

- IDENTIFICATION -- 99% COMPLETE
- LOCATION -- 95% COMPLETE

PHASE II

- VERIFICATION -- 2,000+ PER MONTH
  - -- OVER 12,500 LETTERS MAILED
  - -- BALANCE BY END OF SUMMER

PHASE III

- FY 1991 25,000 PAYMENTS
- FY 1992 25,000 PAYMENTS
- FY 1993 -- FY 1998 BALANCE OF PAYMENTS

Verifying Your Eligibility

Computer systems are designed to handle information on those potentially eligible for redress.

Since the Office of Redress Administration (ORA) was established in September 1988, the office has been collecting historical and current data from individuals, and state and federal agencies. This information is stored in ORA's computer.

During the eligibility review, ORA compares unofficial and official sources of historical and current data for agreement. For instance, if a potential recipient has volunteered historical information, such as where he or she was interned, ORA can verify this unofficial data against an official source such as the War Relocation Authority (WRA) records. Likewise, ORA can compare current information from unofficial sources to that from official sources. By this process, ORA can determine if a person is preliminarily eligible for redress.

If you are determined to be preliminarily eligible, you can expect to receive three types of mail from ORA as follows:

1. **Verification Letter** This letter says that ORA believes you to be potentially eligible for redress and requests documentation so that ORA can verify your identity as the correct person. The letter will include the telephone number of a help-line you can call in case you have questions on documentation. It will be accompanied by a Declaration form for your signature. This form asks you to attest to your identity, current residence, social security number, date of birth and, if applicable, heir information. Also enclosed will be instructions on what types of documentation should be sent to support your identity, and a preaddressed, postage-paid envelope for mailing your Declaration and documents back to ORA. Do not send documentation unless ORA requests you to do so.

2. **Notification that Identity is Established or Letter Requesting Additional Information** Once your indentity is confirmed, ORA will inform you by letter. Along with that letter, ORA will send you a change of address form. Thereafter, you need do nothing more unless your address or other personal circumstances change. In that event, you should notify ORA of the change by writing. If ORA encounters any difficulty establishing your identity, or if the documents received are incomplete, ORA will send you a letter requesting additional information. A check list, specifically identifying the problem will accompany the letter.

3. **Official Notification of Eligibility** This letter is the official notification that you are eligible for redress. This is also the point when ORA authorizes the U.S. Treasury Department to issue your check. The Civil Liberties Act of 1988 says that the official notification of your eligibility cannot be sent until funds for pay-

ment are available. For that reason, there will be a delay between the time you receive a letter confirming your identity and the time you receive this last letter. Under a new law, payments will begin in October 1990 and be completed within three years.

Because the documentation requested by ORA is straightforward, it is not necessary for you to hire legal counsel. The majority of you will already have these documents in your possession. You need only photocopy them and have them notarized or include a signed statement under penalty of perjury at the bottom of your copy. Wording for signed statements will be provided by ORA in the package requesting documentation. Notarized photocopies or signed statements are recommended by ORA since documentation will not be returned. Again, please do not send ORA any documents unless you are notified to do so.

The printed chart summarizes documentation requirements. It will give you an overview of the types of documents that ORA will request, but the examples listed are not all-inclusive. You may have other documents on hand that will work just as well. In addition, you may find that a single document may fulfill more than one document requirement, in which case you need only send the one piece of information. If you are ever unsure about any document you wish to submit, you can always call the help-line. But remember, do not send any documentation unless you receive a letter from ORA requesting that you do so.

A Message from Robert K. Bratt

Administrator of Redress

We were pleased to mark the first anniversary of the Civil Liberties Act with the Attorney General's approval of final regulations implementing the Redress Program. This milestone satisfied legal requirements, and cleared the way for us formally to begin verification. The regulations define in detail who is eligible for payment, and outline our verification procedures, including the types of documentation we will need to establish the identity of recipients.

We knew that the regulatory process would be long and involved, but also recognized the need to move as quickly as possible in implementing the program. Even as the regulations were being drafted, reviewed, and finalized, we were working behind the scenes. Months ago, as soon as solid progress had been made in finding those potentially eligible, we began developing our internal verification process. A computer system was set up, administrative procedures were put in place, and arrangements were made for authorizing U.S. Treasury checks. These advance steps allowed us to contact about 1,300 people, all age 90 and older, within days after the regulations had become final.

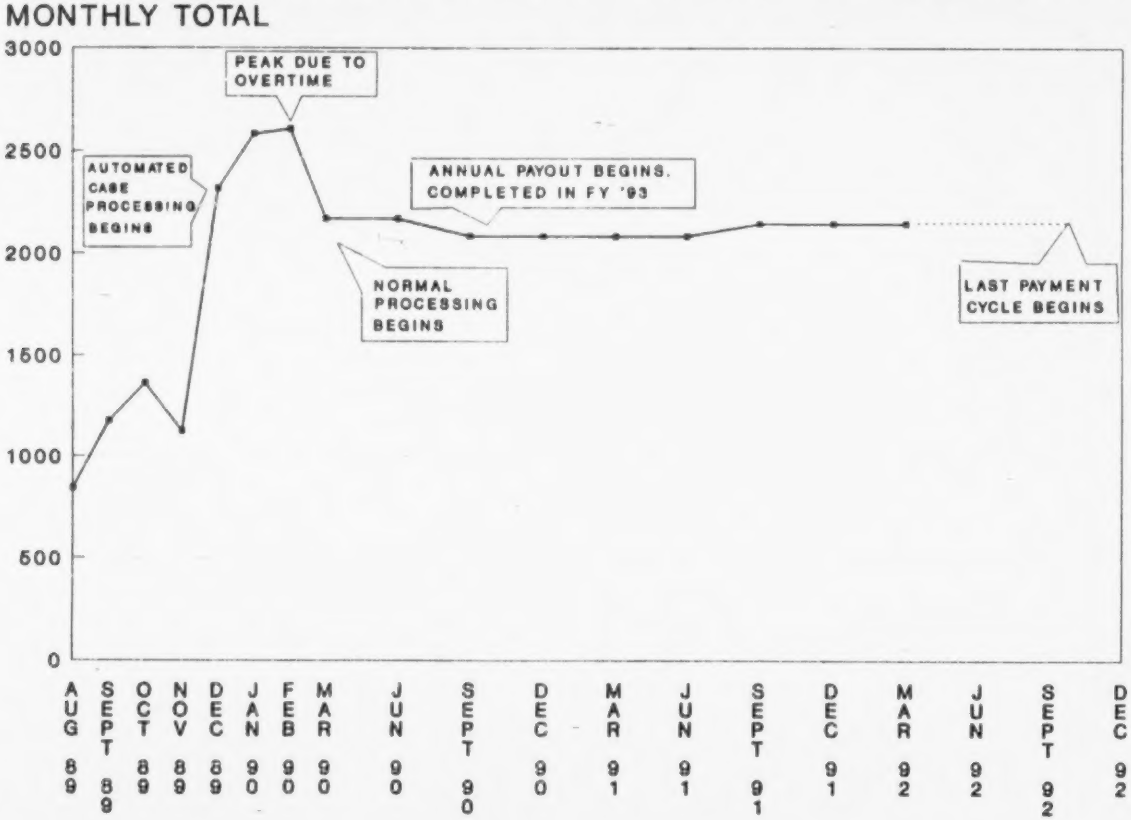
The Redress Program is the first of its kind, and everything we do is new and untried. We're learning in these early stages of the program, and are continually working to refine our verification procedures. Our goal is to ensure that the Redress Program benefits those for whom it was intended, with as much speed and as little burden as is possible.

This leaflet provides an overview of the verification process. It explains the types of correspondence that you can expect to receive from us, and the documentation we will be requesting from you. The documents you submit will establish your identity, so that we know payments will be sent to the right people. Remember that any photocopies you send to us must be either notarized or contain a signed statement on the copy's authenticity. We will provide wording for the statement in our notification package which will be sent to everyone determined preliminarily eligible for redress.

ORA is more than a year old now. In the beginning, I made a commitment to keep the public fully informed of our progress in implementing the Redress Program. This leaflet continues that tradition, and I hope it helps you understand the next steps.

If you move before you hear from us, you can provide your new address by writing: Office of Redress Administration, P.O. 66260, Washington, D.C. 20035-6260.

INITIAL VERIFICATION OF ELIGIBILITY



DOCUMENTATION REQUIREMENTS

The two charts below outline the types of documentation required for the various categories of recipients defined by the Civil Liberties Act of 1988. SECTION A contains information affecting all recipients in general. SECTION B gives specific information to the heirs of deceased eligibles. A single document may fulfill more than one requirement. (For example, a marriage license can both show a name change, and verify the marriage of a spouse to a deceased eligible.) Do not submit any documents unless you are notified to do so by ORA. ***ALL photocopied documents and statements must either be notarized or contain the authenticity clause, signed under penalty of perjury.*** Wording for the authenticity clause will be provided by ORA at the time documentation is requested. Original documents which do not need to be returned may also be submitted.

SECTION A -- GENERAL DOCUMENTATION REQUIREMENTS

COLUMN I: ALL RECIPIENTS	**COLUMN II: LIVING ELIGIBLES**	**COLUMN III: ALL SURVIVORS (Specified in Section B below)**
You are required to submit: ● A signed Declaration (ORA will supply this form) ● One source of identification containing your name and current address *Examples include:* ➤ Bank or financial statement ➤ Monthly utility bill ***AND*** If applicable, you must also submit: ● A source showing date of birth (Disregard if your letter notifying you of your potential eligibility does not request a document establishing your date of birth) *Examples include:* ➤ Birth Certificate ➤ Religious or other family record ➤ Two or more statements ● One source as evidence of guardianship (This applies to a legal or informal guardian who ***signs*** the Declaration form for the eligible person while helping them submit their documentation) *Examples include:* ➤ Court Appointment (legal guardian) ➤ Statement describing your relationship (informal guardian)	You are required to submit: ● Evidence as instructed in Column I of this section ***AND*** If applicable, you must also submit: ● Evidence of name change(s) (E.g., your present name is different than that used at the time of evacuation and internment) *Examples include:* ➤ Marriage License ➤ Divorce Decree ➤ Court Order ➤ Two or more statements ***DO NOT SUBMIT ANY DOCUMENTS UNLESS YOU ARE NOTIFIED TO DO SO BY ORA.***	You are required to submit: ● One source as evidence of the eligible person's death *Examples include:* ➤ Certificate of Death ➤ Statement from the attending physician ➤ U.S. Consul's report for a death occurring outside the United States ➤ Two or more statements ***AND*** If applicable, you must also submit: ● Evidence of name change(s) (E.g., your current name is different than that of the deceased eligible. Exceptions are step-children who retain a previous family name. For instance, the step-daughter of an eligible man retains her mother's prior married name. The exception doesn't apply if the daughter marries and takes a new name. She must then show a name change to link her with her mother.) *Examples include:* ➤ Marriage License ➤ Divorce Decree ➤ Court Order ➤ Two or more statements

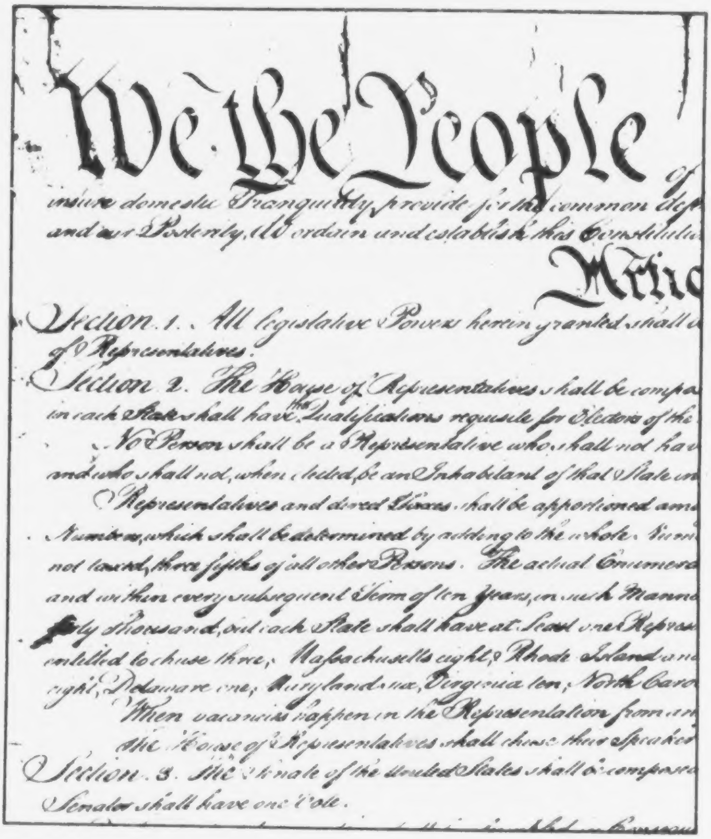
SECTION B – SPECIFIC DOCUMENTATION REQUIREMENTS FOR HEIRS

COLUMN I: SPOUSE	**COLUMN II: CHILDREN**	**COLUMN III: PARENT(S)**
You are required to submit: ● Evidence as instructed in Section A, Columns I and III ***AND*** ● One source as evidence of your marriage to the deceased eligible *Examples include:* ➤ Marriage License ➤ Any public or religious record of the marriage issued by the proper record officer ➤ Statement from the clergyman or magistrate who officiated ***DO NOT SUBMIT ANY DOCUMENTS UNLESS YOU ARE NOTIFIED TO DO SO BY ORA.***	You are required to submit: ● Evidence as instructed in Section A, Columns I and III ***AND*** if a **NATURAL CHILD** of the deceased ● One source as evidence of the natural child relationship *Examples include:* ➤ Birth Certificate containing your parents' names ➤ Any public, agency, or religious record showing the deceased as parent ➤ Two or more statements if an **ADOPTED CHILD** of the deceased ● One of the following two sources as evidence of the adopted child relationship ➤ Adoption Decree ➤ Revised Birth Certificate for jurisdictions where release of adoption documents is prohibited if a **STEP-CHILD** of the deceased ● ***Both*** types of evidence of the step-child relationship must be provided ➤ Evidence of marriage between your parent and the deceased eligible (see Section B, Column I on marriage) ➤ Evidence that you resided with the deceased eligible or that you maintained a parent-child relationship (E.g., will, insurance policy, joint bank statement)	You are required to submit: ● Evidence as instructed in Section A, Columns I and III ***AND*** if the deceased was a **NATURAL** child ● One source as evidence that you are the parent of the natural child *Examples include:* ➤ Birth Certificate naming you as parent ➤ Any public, agency, or religious record showing you as the deceased eligible's parent ➤ Two or more statements if the deceased was an **ADOPTED** child ● One of the following two sources as evidence that you are the adoptive parent of the child ➤ Adoption Decree ➤ Revised Birth Certificate for jurisdictions where release of adoption documents is prohibited

U.S. Department of Justice
Civil Rights Division
Office of Redress Administration

Redress Regulations

Questions and Answers



We the People of
insure domestic Tranquility, provide for the common def
and our Posterity, do ordain and establish this Constitutio
Artic
Section. 1. All legislative Powers herein granted shall
of Representatives.
Section. 2. The House of Representatives shall be compo
in each State shall have the Qualifications requisite for Electors of the
No Person shall be a Representative who shall not hav
and who shall not, when elected, be an Inhabitant of that State in
Representatives and direct Taxes shall be apportioned amo
Numbers, which shall be determined by adding to the whole Num
not taxed, three fifths of all other Persons. The actual Enumera
and within every subsequent Term of ten Years, in such Manne
thirty Thousand, but each State shall have at Least one Represe
entitled to chuse three, Massachusetts eight, Rhode Island an
eight, Delaware one, Maryland six, Virginia ten, North Caro
When vacancies happen in the Representation from an
the House of Representatives shall chuse their Speaker
Section. 3. The Senate of the United States shall be compose
Senator shall have one Vote.

CONTENTS

I. Introduction

II. Questions and Answers

Who is eligible for redress? 1

Who is not eligible for redress? 3

How will my eligibility be verified? 5

How will I know if my eligibility has been verified? 6

What kind of documents will ORA request and why? 6

What if I have questions or need help? 7

How will I know that ORA has reviewed my documents? ... 8

What if circumstances change after I have sent my documentation in to ORA, if I move, or if an eligible individual dies, for instance? 8

When can I expect payment? 9

Do I have any recourse if ORA finds that I am ineligible? ... 10

If I mail documents now, will this help ORA to verify my eligibility? 10

I have never contacted ORA to provide my current address and information about myself. Is it too late? 10

Introduction

The Civil Liberties Act of 1988 authorizes compensation of $20,000 to eligible persons of Japanese ancestry who were evacuated, relocated or interned during World War II. The Act became law on August 10, 1988, and was assigned to the Department of Justice for implementation. The Office of Redress Administration (ORA) was created as a new organization within the Civil Rights Division of the Department, specifically to carry out the redress provisions of the Act.

The federal regulations were established by the Department to fulfill its responsibilities under the Act. They describe the Department's interpretation of the law's original language, and provide details about how the program will operate. The regulations were signed by Attorney General Dick Thornburgh on August 10, 1989, and published in the Federal Register on August 18, 1989. This pamphlet summarizes these regulations.

- Those who were ordered to leave Bainbridge Island or Terminal Island.
- Those who were in the U.S. Military during the internment period and never spent time in camps, but lost property as a result of government action because their homes were in prohibited zones.
- Those who were in the U.S. Military and were prohibited by government regulations from visiting their interned families or were subject to undue restrictions prior to visits.
- Those who were born in Assembly Centers, Relocation Centers, or Internment Camps, including those born to parents from Latin America who were interned in the United States.
- Those who were forcibly brought to the United States from Latin America for internment, and later acquired a change in immigration status to permanent resident, retroactive to the internment period.
- Those who spent the internment in institutions, such as sanitariums, under the administrative authority of the War Relocation Authority.

Special Cases

ORA knows that some eligible people do not fit any of these categories, and that historic records may be

Q. **Who is eligible for redress?**

A. All eligibles must be of Japanese ancestry, must have been U.S. citizens or permanent resident aliens during the internment period, from December 7, 1941 to June 30, 1946, and must have been living on August 10, 1988.

Beyond that most, but not all, eligible individuals will fall into one or more categories.

General Categories

- ➢ Those who were interned in Relocation Centers.
- ➢ Those who were held in Assembly Centers, whether or not they later went to Relocation Centers.
- ➢ Those who were interned by the Army in Hawaii.
- ➢ Those who were interned by the Department of Justice in any of the Immigration and Naturalization Service (INS) Camps.
- ➢ Those who filed Change of Residence Cards.
- ➢ Those who moved from prohibited zones on or after March 29, 1942.

missing even for some of those who do fit the categories described above. The regulations permit "case-by-case" determinations under either set of circumstances. ORA may ask persons who fit into this special case category to submit affidavits or other documentation to help ORA make a decision.

If you believe that you or someone you know would possibly be a special case, please provide a description of your circumstances during the internment period to ORA, at the address given on page 11 of this booklet. Along with the description, please include the information listed just above the address.

Q. **Who is not eligible for redress?**

A. The Act excludes some people affected during the internment period from redress, and therefore ORA does not need them to supply any additional information. In general, these persons will fall into the following categories:

- ➢ Those who are not of Japanese ancestry, including spouses, who were evacuated, relocated, or interned.
- ➢ Those who were not U.S. citizens or permanent resident aliens, and did not have their status adjusted retroactively to the internment period, including those brought from Latin America.

- Those who relocated to an enemy country between December 7, 1941 and September 2, 1945. This includes children who relocated with their parents.

- Those who moved from the West Coast prior to March 29, 1942, for their own personal reasons, not in response to government action, and did not file Change of Residence Cards.

- Those who were born after their parents were no longer interned.

- Those who were born after their parents had moved from a prohibited zone.

- Those who remained in the U.S. Military, but lost no property as a result of government action, or were allowed to visit their interned families without undue restrictions.

- Those who were outside the boundaries of the United States, and did not or were unable to return during the internment period, even if their families were evacuated, interned, or relocated.

Q. **How will my eligibility be verified?**

A. ORA has established an information system that contains all the data that has been collected since the Office was established. The ORA computers contain:

- Historic Information: ORA has obtained historic records made during the internment period from several sources, primarily the National Archives. From these records, we know who was interned, who filed a Change of Residence Card, and other information that is critical in establishing eligibility.
- Current Information: ORA has also been collecting current information from federal and state government agencies (such as the Social Security Administration and state vital statistics bureaus), and from potential recipients, their friends, or families.

During the verification process, ORA will compare current and historic information. If it is the same, then the preliminary phase of verification for that person will be complete.

Q. **How will I know if my eligibility has been verified?**

A. Once ORA has preliminarily verified your eligibility in the process described above, you will be contacted by letter. The law states that payment must be made in the order of birth, beginning with the oldest eligibles. Therefore, ORA will be contacting eligibles beginning with the oldest living on the date of the enactment of the law on August 10, 1988 (or his or her statutory heirs: spouse, children or parents) who have been located by the Administrator at that time.

This letter will request that you complete a declaration of eligibility and also submit certain documents to establish your identity. ORA will attach to the letter an instruction page that lists specific examples of the kinds of records that are acceptable.

Q. **What kind of documents will ORA request and why?**

A. It is ORA's responsibility to determine eligibility, but after that, we have to be sure that the check goes to the right person at the right address. Additionally, some people have changed their names, or have a guardian who takes care of their personal business for them. In these cases, we have to know what name to put on the check so that it can be cashed.

In general, ORA will require everyone to send:

- A completed Declaration. (ORA will supply a form)
- An original or a photocopy of a document with both your current legal name and address.

In addition, some will be requested to send:

- Proof of date of birth.
- Proof of guardianship.

And every heir must also send:

- Proof of death of the eligible person.
- Proof of his/her relationship to the deceased person.

ALL PHOTOCOPIED DOCUMENTS must either be notarized or contain an authenticity clause signed under penalty of perjury. Wording for this authenticity clause will be provided by ORA in the letter requesting the documentation.

ORA will not return any documents, so do not send anything that you will need to have back.

Q. **What if I have questions or need help?**

A. The letter that ORA sends to request documentation will include instructions. These instructions are specific to your case, which means that you may be asked to supply slightly different information than someone else. Return your information in the preaddressed envelope that ORA supplies with your letter. This envelope does not need any stamps.

If you have questions, ORA has a help line that you can call. This is not a toll-free number.

ORA Help Line
(202) 653-8360
(202) 786-5986 (TDD)*

* Telephone Device for the Deaf

Q. **How will I know that ORA has reviewed my documents?**

A. After reviewing your information, ORA will again contact you. If your information is incomplete, a letter from ORA will explain what is needed, and again request that you return the information in the postage-paid, pre-addressed envelope provided. If your information is complete and ORA has confirmed your identity, you will receive a letter informing you of this fact. With this letter you will also receive a change of address form to use if you move before your payment is mailed to you.

Q. **What if circumstances change after I have sent my documentation in to ORA, if I move, or if an eligible individual dies, for instance?**

A. ORA needs to know this type of information as soon as possible. Please write to us at the address given below if you have new information, or use the change of address form supplied by ORA to provide us with your new address if you move. This address is to be used by those who have already supplied documentation to ORA at ORA's request, and who want to update that information.

OFFICE OF REDRESS ADMINISTRATION
VERIFICATION UNIT
P.O. BOX 66740
WASHINGTON, D.C. 20035-6740

To expedite handling of information, your correspondence should include your full name and date of birth, and the "FN" that appears on the mailing label above your name on correspondence addressed to you from ORA.

Q. **When can I expect payment?**

A. Payments will begin in October, 1990. Although the Civil Liberties Act became law on August 10, 1988, ORA cannot make payments until Congress and the President have made funds available. A new law signed by the President on November 21, 1989, makes Redress an entitlement, and establishes a three-year schedule for payments.

Under the new law, enough money will be set aside to make 25,000 redress payments in the first year, 25,000 payments in the second year, and the rest in the third year. Payments will be made in descending order, beginning with eligible people in the oldest age group (or their heirs) whom ORA has located at that time.

When ORA is ready to pay your age group, you will receive a letter notifying you that you are eligible. Shortly thereafter, you will receive a United States Treasury check for $20,000 or for your share as an heir. Checks will be sent by an express delivery mail service, and you will have to sign a receipt.

Q. **Do I have any recourse if ORA finds that I am ineligible?**

A. Yes. If you are found to be ineligible, ORA will notify you by letter, and explain the reason for this decision. The letter will include instructions on what to do if you disagree with the decision. You will have the right to request reconsideration of your case within 60 days of receiving the notification. Your request must be to the Assistant Attorney General for Civil Rights, and you may submit any documents in support of your eligibility. After your appeal has been reviewed, the Department of Justice will notify you of its final decision.

Q. **If I mail documents now, will this help ORA to verify my eligibility?**

A. No. ORA must first determine that you are eligible using official historical sources. Therefore, do not send us any proof of identification until you have received a letter from ORA specifically asking for documentation of your identity. Remember, any information that you send in will not be returned to you.

Q. **I have never contacted ORA to provide my current address and information about myself. Is it too late?**

A. No. ORA is still collecting voluntary information. If you have not yet provided any information to ORA and would like to do so, please write to ORA at the address given below. You may submit any information you feel may be helpful. The most useful information is name, including maiden or other names used if any, current address, date of birth, social security number, and where you were interned.

OFFICE OF REDRESS ADMINISTRATION
P.O. BOX 66260
WASHINGTON, D.C. 20035-6260

Mr. SMITH. Thank you for your testimony today. We will have additional questions to be answered for the record.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

General Legal Activities

Immigration-Related Discrimination

QUESTION: In 1990, the Congress directed that no less than $1 million of the amounts appropriated for GLA be available to the Office of Special Counsel for their efforts against immigration-related discrimination. Have those funds been made available?

ANSWER: The Office of Special Counsel has $1,000,000 available in 1990 for publicizing both the obligations of employees and the rights of job applicants under Section 102 of the Immigration Reform and Control Act of 1986.

QUESTION: What publicizing activities is the Office of Special Counsel undertaking?

ANSWER: The Office of Special Counsel (OSC) is using this funding to implement a three-part outreach program. Part I consists of the combined efforts of the Immigration and Naturalization Service, Department of Labor - Equal Employment Opportunity Commission, and the Small Business Administration. The primary goal is to educate potential victims of discrimination and the general public about the antidiscrimination provision of the Immigration Reform and Control Act. Accomplishment of this task involves informing the media, employer groups, unions, and state and local law enforcement practices agencies.

Part II involves consultation with States concerning expenditures of State Legalization Impact Assistance Grant monies for antidiscrimination outreach.

Part III concerns the development of a program via grant, contract or cooperative agreement to allow OSC utilization of community-based organizations and other networks in order to reach protected alien populations.

QUESTION: How much have you requested for this purpose in 1991?

ANSWER: No increases have been requested for 1991; however, $1,000,000 has been requested by the Administration to continue this effort.

Vaccine Injury Cases

QUESTION: How many cases have you begun processing?

ANSWER: The Civil Division has received 236 cases since the filing period began on October 1, 1988. These cases are being handled by the Torts Branch. The Division has begun processing 117 cases. Twenty-four of these cases have been closed.

QUESTION: Is there a backlog in cases that would be solved with additional resources?

ANSWER: The Civil Division projects that 500 vaccine cases will be received this year. The litigation for these cases would occur mainly in 1991. The Department has requested an increase in the 1991 authorization for use of Vaccine Trust Fund resources which would make available an additional $500,000.

Japanese-American Redress Payments

QUESTION: We have heard rumors that the number of potential payments may exceed the original estimate of 60,000 -- is that true?

ANSWER: Yes. Based on a recent actuarial study and progress to date by the Office of Redress Administration (ORA), we believe that somewhere between 64,000 and 65,000 persons eligible for redress were living on August 10, 1988. As verification progresses we will have a more accurate estimate of the number of eligible individuals.

QUESTION: If those revised estimates are correct, do you plan to submit legislation to increase the amount currently authorized?

ANSWER: ORA's current estimate of the actual number of surviving eligibles is based on very preliminary data. At this time, the possible need for additional funding is two and one-half years away. When we approach 1993 and the picture becomes clearer, we will begin to evaluate the need for such legislation.

Office Automation

QUESTION: Will Project EAGLE become the standard for office automation projects throughout the Department, and if so, how will this standard be implemented throughout the Department?

ANSWER: The Attorney General has made it clear that a uniform approach to office automation is a high priority. In his August 23, 1989 memorandum regarding the management of Project EAGLE, the Attorney General stated: "One of my objectives is to achieve uniformity of systems throughout the Department. EAGLE provides the means to achieve this objective." We view EAGLE as the acquisition method which allows Departmental components to achieve this uniformity without delay. Because the EAGLE system uses the same word processing and electronic mail software as the AMICUS II system, it is this underlying technology that constitutes the de facto standard. As office automation systems now installed in various Departmental components reach the end of their useful life-cycles, the components will be using the EAGLE contract to meet their requirements. Because the office automation software used in EAGLE and AMICUS is already widely used within the Department, we expect ready acceptance.

QUESTION: Will Project EAGLE establish standards that will allow for the electronic transfer of documents between the various Justice Department components, and if so, when will these standards be developed and implemented?

ANSWER: Allowing transfer of documents is less a matter of standards than of security and telecommunications technology. As stated previously, almost all Departmental components now use the same word processing software, so the electronic format of these documents is compatible. This is a major change from only a few years ago. As the various organizations implement EAGLE systems with security appropriate to the level of information maintained, we will be paying special attention to ways to transfer documents electronically, allowing us to avoid the costs of overnight mail services now often required to meet court-imposed deadlines. In addition, implementation of the FTS 2000 data network will allow the Department to take advantage of the low cost of this shared, nationwide network to connect our organizations and all their offices in ways which were simply unimaginable a decade ago.

In addition, the Department intends to establish a standard profile for office systems, ensuring not only compatibility with EAGLE and AMICUS, but compliance with GOSIP, POSIX, and telecommunications standards.

QUESTION: In September 1989, the GAO criticized the Department for not completing risk analyses for Project EAGLE prior to installing the systems. What progress have you made in performing this system risk analysis?

ANSWER: After analyzing several software packages from a list provided by the National Institute of Standards and Technology, the Department has chosen one to be used as a standardized way of analyzing risks in organizations planning on implementing EAGLE systems. The EAGLE Office and the Department's Security and Emergency Planning Staff have worked closely with the litigating organizations to help them tailor the package to make it appropriate in a legal environment. Completed in privacy by a user on a personal computer and then "locked" to ensure data integrity, the EAGLE survey results provide a comparison of security risks and system/organizational security features (countermeasures). Each organization implementing EAGLE systems (even different parts of the same organization) have different types of risks and would therefore be subject to different countermeasures. Fortunately, the EAGLE contract provides many different security options which Departmental organizations may choose to acquire and use.

QUESTION: When will security plans based on this risk analysis be implemented?

ANSWER: Each Departmental organization implementing EAGLE systems already has a security plan, as required by Departmental policy order. These security plans reflect the security requirements associated with the office automation system in use in that organization. As risk analyses for EAGLE systems are completed, these security plans will be updated to reflect any special requirements associated with EAGLE.

QUESTION: Who in the Department is managing implementation of Project EAGLE security?

ANSWER: Under Departmental policy orders, each organization is required to have a Security Program Officer who is responsible for all aspects of security, including those appropriate to automated systems such as EAGLE. The Attorney General has established an EAGLE Steering Committee to coordinate policy among Departmental organizations implementing EAGLE systems. As part of its duties, this committee will be coordinating EAGLE security policy, in consultation with the Department's Security and Emergency Preparedness Staff.

Tax Division

QUESTION: The Tax Division requests an increase of $3,900,000 for automated litigation support (ALS). Is this support required for specific cases or just a general litigation tool?

ANSWER: While we hope to utilize the capabilities of automated litigation support to enhance our chances of prevailing in a wide range of cases, we intend to focus our early efforts on certain complex and large, document-intensive cases. The Tax Division has received no funding targeted for this support in previous years, and as a result, has had to scrape together funds to provide its attorneys with even a modicum of computer support. Without solid funding, the Tax Division is clearly handicapped in its efforts to combat private counsel, who, in most instances, have unlimited access to state-of-the-art computer technology.

Of the $3.9 million requested by the Tax Division for automated litigation support, $200,000 will be applied to criminal tax litigation and prosecution and $3.7 million will be used to support civil tax cases. This funding will allow the Division to implement a program to deal with the 25 to 35 large, document-intensive cases litigated by our attorneys each year. Examples of cases targeted for ALS include:

-- The **Barrister** tax shelter case which involves $25 million in tax penalties. The transactions at issue were conducted by 95 partnerships with 30 to 40 investors each for two tax periods. Tax Division attorneys have been called upon to review 100,000 documents, valuation appraisals of 300 books done by 4 separate appraisers, and the testimony of 85 deponents.

-- The **Noske** tax shelter case, a $5.6 million suit in which discovery yielded 500,000 pages of documents relating to 186 different trusts, as well as 65 depositions.

The Tax Division has already experienced some success in using ALS. On January 11, 1990, the Tax Division received a favorable decision in In re ContiCommodities Services, Inc. Litigation, in which four tax refund suits were joined with multi-district litigation brought by investors in a Government securities trading program. In these suits, the investors were rebuffed in their attempt to recover a refund of approximately $1.0 million. Tax Division attorneys successfully employed personal computers to organize the 140 depositions that had been taken on the tax-related portion of the case.

The ContiCommodities case, however, is merely representative of the many civil tax cases in which the Tax Division desperately needs automated litigation support. In recent years, the Internal Revenue Service (IRS) has shifted its resources to large cases, generally involving large dollar amounts and numerous documents. These cases have progressed through the administrative pipeline and are now moving to the courts. For example, in just the last two years, so-called "jumbo" cases docketed at the Tax Court involving over $10 million in taxes have increased 23 percent (from 195 to 239). The Tax Division has no ALS funding in its base level budget. If future revenue shortfalls are to be avoided, automated litigation support must now be made available to our attorney personnel.

The $200,000 requested to provide ALS support to criminal tax cases is critical, particularly in light of the crisis that rocked the country's financial institutions. There are approximately 100 tax investigations pending in the Dallas Bank Fraud Task Force, 40 of which have progressed either to the trial or grand jury level. The Chief of the Criminal Investigations Division in Dallas has advised us that he anticipates that the other 60 tax investigations will reach the grand jury level during the remainder of 1990 and 1991. New tax investigations are also anticipated.

These complex financial fraud investigations have in several instances involved over 40,000 documents. The requested enhancements in ALS funding will enable the Division's Criminal Enforcement Sections to provide needed support and assistance to the U.S. Attorneys, the Criminal Division, and the IRS in their joint efforts to address aggressively the Nation's savings and loan crisis.

QUESTION: Will this ALS be contracted out or performed in-house?

ANSWER: The Tax Division intends to contract out for ALS using a program similar to that successfully employed by the Land and Natural Resources Division and the Civil Division. A contractor would provide the automated litigation support once they have discussed the relevant issues of the case and received the pertinent documents from the attorney in charge of the case.

The Land and Natural Resources Division and the Civil Division experiences clearly demonstrate that it would be most cost effective to use private industry contractor support rather than create an in-house staff to perform these functions. Both of these other Divisions have used contract support successfully for the past five years, and we anticipate similar success in the Tax Division.

QUESTION: Will your Project EAGLE automation system provide you ALS capability?

ANSWER: The Tax Division's Project EAGLE office automation system does not, in itself, provide automated litigation support capability. The Project EAGLE office automation system provides essential word processing capabilities to facilitate document production, retrieval, and exchange among Division personnel, and most importantly, document transmittal to the various offices of the U.S. Attorneys and the Internal Revenue Service. In addition, the Project EAGLE office automation system provides considerably faster access to legal research databases such as JURIS, LEXIS, and Westlaw. The electronic mail and calendaring features of the Project EAGLE office automation system are sophisticated enhancements to what is currently available to Division personnel. We believe that the Project EAGLE office automation system, in conjunction with a contractor supported automated litigation support program, will contribute substantially to the ability of our attorneys to maintain effective and successful litigation operations.

QUESTION: You request $325,000 to permit the Tax Division to initiate a more aggressive recruitment program in an effort to reduce the Division's high attrition rate. Please explain how improved recruiting can reduce attrition?

ANSWER: The $325,000 request is a personnel management initiative designed to enhance recruitment, career development, and retention.

We feel strongly that if the Tax Division is to succeed in its mission of enforcing the tax laws, we must recruit and hire the cream of the attorney crop, provide these attorneys with the training essential to permit them to prevail over the seasoned veterans against who they generally appear, and must provide for monetary rewards to those attorneys who exceed our high expectations. Only by addressing all three areas of personnel management will the Division succeed in hiring and retaining the most qualified legal talent given the current federal salary structure. Therefore, we have requested $50,000 for enhanced recruitment efforts, $75,000 for enhanced training, and $200,000 for compensation for excellence. All three programs will enable the Tax Division to recruit and retain attorneys to protect the Federal fisc.

The $50,000 being requested for our recruitment program will fund travel costs associated with recruitment trips to law schools. In this way, the Division will be able to inform graduating law students of the valuable employment opportunities available in the Tax Division, particularly the courtroom experience provided by the Tax Division within six months of employment. These funds will also enable the Tax Division to improve and enhance its legal intern program and to heighten efforts to attract experienced attorneys to work for the Tax Division.

The $75,000 in funding requested for our attorney professional career development program will permit us to enhance our in-house training program which provides specific tax litigation training for our employees and to pay for outside tax-specific training courses which cannot be duplicated in-house. In addition, with the additional funds requested, the Tax Division will be able to purchase legal tapes, training videos, and other training tools in order to provide as much in-house training as possible on current tax issues. With these funds, the Division will also be able to devote additional resources for sending new attorneys on travel to second chair at trials with a more experienced litigator. We intend to send new attorneys on at least one such learning experience before they have to litigate in court on their own.

Finally, $200,000 is being sought to increase the current employee award and bonus programs. We believe strongly that this "compensation for excellence" initiative will provide a strong incentive for qualified employees to remain with the Tax Division. Our efforts thus far with regard to employee retention have been less than fully successful, as attested to by our high attrition levels. Increasing the amount available for employee awards should go a long way toward rectifying this serious management problem.

QUESTION: What recent legislative changes have led to the need for an increase of $1.4 million for civil tax lawyers?

ANSWER: For 1991, the Tax Division is requesting $1.4 million to restore the Division to its authorized workyear strength. The Tax Division at present does not have the funding required to support the staff levels authorized by the budget. Many of its attorneys are currently laboring with dockets in excess of 100 cases. The staff increases received in 1990 reduced these caseloads only marginally because of increased workload in areas such as bankruptcy.

There is no prospect that the Division's recurring normal caseloads will diminish, and there is every indication that recent changes in the tax law and in the Internal Revenue Service's administrative priorities will generate a substantial increase in the Tax Division's workload in 1991.

Likely new sources of litigation include cases involving:

-- International Tax Enforcement. The Tax Division will receive considerable litigation involving Section 482 of the Code, under which the IRS may allocate income and deductions among related corporations (including parents with foreign subsidiaries). The Treasury Department recently issued a "White Paper" which suggests that the Tax Division will not only receive substantive Section 482 cases involving millions of dollars of revenue and perhaps roomfuls of documents, but also will be called upon to enforce summonses seeking documents from foreign subsidiaries.

-- The Taxpayer Bill of Rights. The Taxpayer Bill of Rights was enacted on November 10, 1988. It added new provisions involving attorney's fees and civil damages that have already generated litigation for the Tax Division and are anticipated to generate substantial workload in the future. Specifically, attorney's fees can now be awarded based upon administrative actions of IRS personnel. Tax Division attorneys are now required to conduct this litigation to determine whether or not the position of the IRS was substantially justified or whether the amount claimed by the taxpayer was reasonable.

-- The Taxpayer Bill of Rights also entitles taxpayers to sue in Federal District Court for damages when an IRS official inadvertently or intentionally disregards the Internal Revenue Code while in the process of collecting Federal taxes. Also, taxpayers are now able to sue for damages when an IRS official or employee fails promptly to remove a lien on a taxpayer's property. Tax Division attorneys are responsible for litigating all cases stemming from these new provisions.

-- Interest Abatement. The Tax Reform Act of 1986 included a provision that authorized the Secretary of the Treasury to abate interest attributable in whole or in part to any error or delay by an IRS officer or employee in performing a ministerial act. The Tax Division is already litigating cases in which the Secretary has refused to abate interest -- further cases will likely originate from the 10,000 applications for abatement of interest that are either pending or have been denied.

The Tax Division's critical shortfall in staff must be rectified if these new cases are to be litigated effectively. The Division serves as a major revenue-generating agency for the Federal Government. The litigating efforts of Tax Division attorneys ensure that debts legally owed to the Federal Government are, in fact, collected.

Civil Division

QUESTION: The Civil Division requests total increases of $3,419,000 for financial institution fraud litigation. What is in the base for this S&L litigation?

ANSWER: The Civil Division handles a number of cases involving challenges to regulatory actions of agencies as well as tort claims seeking damages for actions taken by the regulatory agencies. An explosion of new cases is expected as a result of the Financial Institution's Reform, Recovery and Enforcement Act of 1989. As a result of the Act, we expect increased regulatory enforcement involving financial institutions in order to enforce administrative orders and to collect civil penalties. The new legislation authorizes the Attorney General to bring actions to recover civil penalties for violations of numerous criminal statutes. This authority will enhance enforcement by providing a civil remedy in those cases involving serious violations that might not be suitable for criminal prosecution. The legislation also gives the Attorney General administrative summons authority for such cases, and authorizes the disclosure of grand jury information to Civil Division attorneys for the new civil penalty cases.

The Division will also be involved in litigation surrounding the liquidation of a bank. Collection activities will have to be undertaken for the assumed loans and other financial obligations purchased by the regulatory agencies as part of the restructuring of the financial institutions. This is already an extensive area of litigation and, as more financial institutions are restructured, will become even more prominent. Painstaking investigation, requiring the expertise of financial analysts and counsel in foreign countries, will have to be undertaken to pursue assets of wrongdoers at or borrowers from financial institutions. A significant percentage of these collection activities will require personal involvement by Civil Division attorneys to resolve major policy and financial questions that will have an impact on the U.S. Treasury.

Suits for damages will also arise out of the role of the Federal Deposit Insurance Corporation (FDIC), the Federal Savings and Loan Insurance Corporation (FSLIC) and other regulatory agencies in carrying out their corporate and regulatory duties. These suits will raise novel questions in both commercial and torts law and, invariably, they will have to be handled by Division attorneys because of their complexity and policy overtones. Civil litigation can also be expected to increase as more banks are closed. Frequently, shareholders and depositors challenge the legality of the action and sue the agency and the officials involved in the closing. Every liquidation brings a hornet's nest of litigation against the financial institutions by creditors of all types. The Division will personally handle only the most complex, policy-sensitive cases.

QUESTION: What will be the impact on this litigation if the additional funds are not provided?

ANSWER: Without additional resources, the Civil Division will be unable to centralize control of the litigation and ensure a consistent approach to the critical interpretation of this law by the courts. To the extent that it is able to exercise its traditional role as the representative of Federal agencies and corporations (like the FDIC and other banking agencies), the broad interests of the United States are protected and the Civil Division can offer its expertise and perspective on governmental (and particularly regulatory) issues. This is more effective and efficient than a decentralized supervision of thousands of cases by FDIC and as many by privately-retained counsel.

QUESTION: You request an additional $924,000 for litigation involving Medicare overpayments. Have you not been investigating and prosecuting such cases for years? How much is in your base for these cases and what changes are driving the need for additional funds?

ANSWER: The Civil Division has requested 11 positions and $477,000 in Automated Litigation Support funding to prosecute major Medicare overpayment cases and recover a potential $10 billion in overpayments. These cases allege a new category of abuse of Government funds by major insurance companies who failed to comply with amendments to the Medicare statutes. Prior to 1980, employers of working Medicare beneficiaries could provide only secondary health insurance coverage, leaving it to Medicare to act as the primary health insurer. Thereafter, in an effort to reduce Federal spending, Congress enacted several laws -- referred to as the "Medicare Secondary Payer Provisions" (MSP) -- requiring employers who provide health insurance to their employees to provide primary coverage for their Medicare-eligible employees. The Government contends that, when Medicare overpayments occur because the employer's plan does not assume primary responsibility for payment, the MSP laws permit the Government to recover not only from the employer, but also from any entity responsible for payment under the employer plans, i.e., insurance companies that underwrite the plans.

We have filed three suits to date. Two of them, one in Michigan against Blue Cross-Blue Shield of Michigan and one in Connecticut against Travelers Insurance Company, were referred to us by the Department of Health and Human Services (HHS) for affirmative litigation. The third resulted from a qui tam action filed against Provident Life and Health Insurance. Because we did not believe we could establish fraudulent conduct, we decided not to intervene in the qui tam suit but did file a separate action to recover overpayments. Four subsequent qui tam actions have been filed, but we have not yet received information from HHS sufficient to ascertain whether recovery actions are appropriate against those companies.

On December 12, 1989, the United States District Court for the Eastern District of Michigan entered an order on the parties' cross-motion for summary judgment rejecting almost all of the company's defenses. The court concluded that Blue Cross is primarily liable even where it expressly repudiates primary coverage in its insurance contracts. In addition, the court refused to limit Blue Cross' liability to payments made after a 1984 amendment to the Medicare laws granting an express right to recover overpayments from those primarily liable. The court further ruled that the six-year Federal statute of limitations applied and not the two-year limitation period contained in the Blue Cross insurance contracts. The district court sustained Blue Cross' defense to avoid liability when it acted only as an administrator of self-insured plans. The court's rulings will be a useful precedent for the remaining and future suits. We are now working with auditors from HHS's Office of Inspector General to ascertain the amount of Blue Cross's liability.

HHS attorneys continue to advise us that referrals of ten to twelve additional cases are imminent. In addition, HHS personnel advise there may be one hundred or more insurance companies that are liable for Medicare overpayments because they failed to comply with the MSP laws. The Division has no resources in its base funding to handle this influx of cases. The additional positions and ALS funding are essential.

Lands Division

QUESTION: The Lands Division requests $6,608,000 and 47 positions to increase environmental law enforcement. At what areas will you direct these additional resources?

ANSWER: For 1991, 46 of the 47 requested new positions are for our Environmental Protection program which includes four sections: Environmental Crimes; Environmental Defense; Environmental Enforcement; and Wildlife and Marine Resources. The remaining position is to supplement the Division's staff handling its growing Automated Litigation Support (ALS) activities.

All of these sections are currently devoting considerable resources to the Exxon-Valdez case -- not only to the pending criminal indictment, but to work underway to protect U.S. interests in the natural resource damage assessments undertaken by the trustees (the National Oceanic and Atmospheric Administration of the Department of Commerce, the Department of Interior and the Department of Agriculture). Not only is this a monumental case, but it is certain to set precedent and will involve many cutting-edge evidentiary and economic valuation issues. For that reason, we anticipate a considerable drain on our resources both now and well beyond 1991. The Admiralty section of Civil Division's Tort Branch is also involved. We currently anticipate that $3.9 million in 1991 ALS funding will be devoted to Exxon-related work.

But quite apart from Exxon, the needs of the Land and Natural Resources Division are growing exponentially as a result of:

- New legislation and regulations involving environmental laws (e.g., Asbestos Hazard Emergency Response Act, Medical Waste Tracking and Ocean Dumping Acts; not included in this budget are resources associated with any new Clean Air Act);

- Burgeoning workload involving Federal facility litigation (e.g., cleanup of Department of Energy nuclear weapons plants and Department of Defense installations);

- Counterclaims pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) involving Federal agencies (e.g., Defense, Energy) when the agency has identified private parties who may have contributed to pollution at the site;

- Natural resource damage claims arising from the recent spate of oil spills, and other referrals from Federal agencies;

- The Administration's initiatives involving "no net loss" of the Nation's valuable yet diminishing wetlands.

QUESTION: This additional $6.6 million amounts to an increase of over 37 percent. Do you believe you can effectively utilize these additional resources?

ANSWER: Yes. The additional resources will be applied to our environmental protection program and be used to do two things -- hire 47 new people, and devote an additional $4.8 million to the provision of Automated Legal Support (ALS) services to manage the unit's programs. As to the whether we can use these resources effectively, we would have you note that:

1) In recent years, we have received a surfeit of applications from highly-qualified candidates seeking jobs with the Division. As reported in TIME magazine just last week (March 12, 1990), ". . .attorneys who specialize in environmental law have become some of the most sought after professionals in the U.S." The article went on to characterize the recent explosion in environmental law as

"unbelievable". This same explosion of interest in environmental law has resulted in a bonanza of applications for the Land and Natural Resources Division. For example, over 500 highly qualified law school seniors and judicial law clerks applied for 19 vacancies in our honors program last year. Similarly, we are receiving, on average, 75 resumes each week whenever we advertise a vacancy for an experienced attorney. Thus, we are in the enviable position of being able to choose among the best and brightest -- and most effective -- lawyers available. As a result, we do not expect any difficulty filling 47 new positions in 1991.

2) Adequate litigation support vastly increases the effectiveness of our case handling in that it allows us to staff up for major cases in a cost-efficient manner. The balance of our request, $4.8 million, will be used for litigation support services. Of this amount, $3.9 million is earmarked for Exxon-related civil case development alone. For this work, we have already identified the tasks to be performed, engaged a qualified contractor and commenced preliminary assignments; we lack only the funds to go forward pro-actively in 1991. Failure to provide these funds would cause us to lose valuable momentum in this critical, multi-million dollar case, and fundamentally impair our effectiveness because it would force us to delay or abandon critical case preparation.

QUESTION: On the surface, the Exxon-Valdez case appears to be relatively straightforward. Why do you believe you will require $3.9 million for automated litigation support?

ANSWER: The Exxon-Valdez case will actually be at least two cases brought by the United States against Exxon Corporation and possibly other responsible parties. One case is a criminal action arising from the recent investigation and resulting indictment of Exxon and a subsidiary company on criminal charges. We believe we have a strong case against Exxon and its subsidiary, but we will need to devote considerable resources to ensuring that the prosecution is successful. The automated litigation support is necessary because the investigation generated a large volume of documents, testimony, and other evidence that must be organized in an easily retrievable form. Whether we prevail will depend, in large part, on our ability to manage and present this evidence effectively. This capability will be particularly crucial in sentencing, since the size of the fine we obtain will depend on analysis and presentation of a large volume of data relating to economic and natural resource damages caused by the spill.

The second case involves a host of potential civil claims which can be grouped into four discrete areas:

1) Liability: For example, was Exxon solely responsible for the spill? What, if any, responsibility did ALEYESKA

and Exxon Shipping Company have? Are there viable defenses to that liability?

2) Civil Penalty Claims: A number of Federal statutes provide for assessment of penalties, e.g., the Clean Water Act, the Endangered Species Act, and the Marine Sanctuaries Protection Act provide for the assessment of penalties when resources protected under these acts are damaged.

3) Cost Recovery: This aspect of the civil case concerns the total amount of money the Federal Government has already spent as well as what we will need to spend in order to limit/contain the spill, including the recovery of all legal and investigative costs incurred;

4) Natural Resource Damages: What is the extent of injury to the natural resources resulting directly and indirectly from the spill, both immediate and residual, and how can we best restore or, if necessary, replace the injured resources? How does one best place a value on the thousands of birds, fish and mammals lost, and the effect on the tourism industry, recreational system, commercial fishing industry, etc.? As one might suppose, this latter area is expected to be particularly contentious and has already generated both a battle for expert witnesses with esoteric specialties as well as an unprecedented volume of documents given the ongoing extensive Natural Resource Damage Assessment Process.

Automated litigation support services will be required for both the criminal and civil cases.

To put the scope of our request in perspective, it is perhaps helpful to know that the State of Alaska has appropriated a war chest of $40 million to fund its case against Exxon and that Exxon has expended nearly $2 billion so far in cleanup costs and has retained three law firms to handle the case on its behalf.

This litigation is expected to be unprecedented in terms of: 1) the size of the spill (11 million gallons); 2) the ecological vulnerability of the unique, pristine and fragile environment affected; 3) the legal issues of first impression and the number of likely legal charges to be brought; and, 4) the corresponding vigorous defenses raised thereto by one of the largest legal defense teams ever assembled for an environmental case. Among the many necessary tasks that must be undertaken for the successful prosecution of the civil case against Exxon are the following:

- Processing an estimated 1 million documents for the civil case with an average document length of 5 pages, including microfilming and coding all pages, and subsequently loading them into the Department's mainframe computer.

- Providing contract paralegal teams, including a supervisor and three paralegals for each of three teams covering cost recovery, liability and natural resource damages.

- Establishing a full-text database.

- Tracking the progress of an estimated 150 private civil claims also pending against Exxon and the Federal Government. These private suits may raise legal or factual issues which bear directly on the affirmative Federal case, and therefore require close monitoring on our part.

- Assembling and monitoring the host of Freedom of Information Act (FOIA) requests made of the Department, the Federal trustee agencies (Interior, Commerce and Agriculture) and a host of other Federal agencies involved in the spill cleanup such as the Navy, Coast Guard, Department of Transportation, Federal Emergency Management Agency, and associated support such as the Environmental Protection Agency's involvement in restoration of the injured natural resources. Coordination of the FOIA requests is essential in order to prevent duplication of effort and to insure that privileged information is not inadvertently released.

THURSDAY, MARCH 8, 1990.

UNITED STATES ATTORNEYS

WITNESSES

JAMES G. RICHMOND, UNITED STATES ATTORNEY FOR THE NORTHERN DISTRICT OF INDIANA

STANLEY A. TWARDY, JR., UNITED STATES ATTORNEY FOR THE DISTRICT OF CONNECTICUT

LAURENCE S. McWHORTER, DIRECTOR, EXECUTIVE OFFICE FOR UNITED STATES ATTORNEYS

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

Mr. SMITH. Next we hear testimony on the U.S. Attorneys.

Testifying on behalf of the U.S. Attorneys are James Richmond, U.S. Attorney for the Northern District of Indiana, Stanley Twardy, U.S. Attorney for Connecticut, and Laurence McWhorter, from the Executive Office of U.S. Attorneys.

The U.S. Attorneys request $628,095,000 for fiscal year 1991. We will insert in the record at this point your FY 1991 budget justification.

[The justification follows:]

Department of Justice

United States Attorneys

Estimates for Fiscal Year 1991

Table of Contents

Item — Page Number

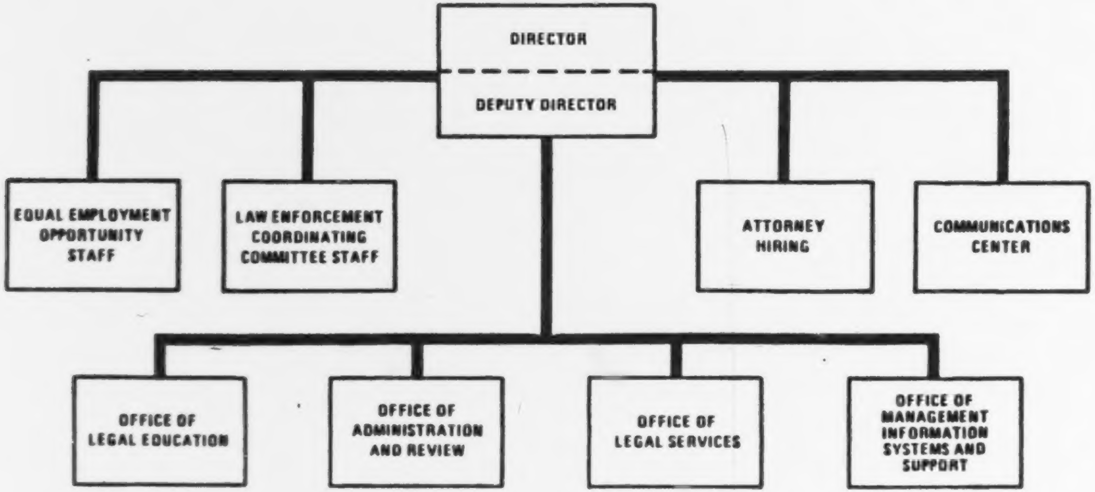
Organization Chart 1
Summary Statement 2
Justification of Proposed Changes in Appropriation Language 4
Crosswalk of 1990 Changes 5
Summary of Requirements 6
Summary of Resources by Program 7

Justification of Program and Performance:

- Criminal Litigation 8
- Civil Litigation 11
- Legal Education 13
- Management and Administration 15
- Debt Collection 18

Financial Analysis-Program Decrease 19
Priority Ranking 20
Detail of Permanent Positions by Category 21
Summary of Change 22
Justification of Adjustments to Base 23
Summary of Requirements by Grade and Object Class 27

EXECUTIVE OFFICE FOR UNITED STATES ATTORNEYS


DIRECTOR
DEPUTY DIRECTOR
EQUAL EMPLOYMENT OPPORTUNITY STAFF
LAW ENFORCEMENT COORDINATING COMMITTEE STAFF
ATTORNEY HIRING
COMMUNICATIONS CENTER
OFFICE OF LEGAL EDUCATION
OFFICE OF ADMINISTRATION AND REVIEW
OFFICE OF LEGAL SERVICES
OFFICE OF MANAGEMENT INFORMATION SYSTEMS AND SUPPORT

Approved by: William French Smith Date: 8/17/84
Attorney General

United States Attorneys

Salaries and expenses

Summary Statement

Fiscal Year 1991

The United States Attorneys are requesting for 1991, a total direct appropriation of $628,095,000, 8,147 permanent positions and 7,854 workyears. This request represents an increase of $109,231,000 over the 1990 appropriation enacted. It provides for the annualization of the President's Violent Crime initiative, transfer of the Organized Crime Strike Forces from the Criminal Division, and mandatory increases and decreases. In addition, the United States Attorneys are budgeted to receive additional reimbursable funding from the Organized Crime Drug Enforcement (OCDE) appropriation. Resources from the OCDE appropriation in 1991 would then total $66,182,000, 956 positions and 800 workyears.

The primary mission of the U.S. Attorneys is to execute the function of being the principal litigators of the U.S. Government. It is their task to prosecute those who mock our nation's criminal laws, to protect the public from those who would further their private interests at the expense of the general welfare, to protect the legitimate powers of the Federal Government from those who would usurp such powers, and to assert affirmatively, through the courts, those national policies established by Congress and the Administration. This mission is accomplished by 94 district offices in the United States, Puerto Rico, the Virgin Islands, Guam and the Northern Marianas. The U.S. Attorneys' appropriation consists of four decision units. The decision units, excluding OCDE, are: Criminal Litigation, Civil Litigation, Legal Education, and Management and Administration. The major initiatives in these decision units are summarized below.

Criminal Litigation

This activity is responsible for identifying, investigating, prosecuting and convicting those persons and legal entities who have committed offenses against the laws of the United States including controlled substances violators and those individuals involved in violent crime, organized crime, money laundering, official corruption, various types of fraud, and tax evasion. The United States Attorneys are also at the center of the efforts to develop more effective alliances with state and local law enforcement personnel and programs. This year as a result of the President's Violent Crime initiative, major program resources have been devoted to prosecution of those involved in violent crime and controlled substance violations. Additionally, Organized Crime Strike Force Units have been transferred and established in twenty-two district offices. The United States Attorneys seek 800 workyears and $71,800,000 for annualization to continue the intensified level of prosecution.

Civil Litigation

The Civil Litigation activity is responsible for protection and advancement of the interests of the United States through the conduct of civil litigation including both defensive and affirmative activities. Thus, the United States is represented against possible monetary losses and in support of Federal programs. All debt collection accomplishments of the 94 United States Attorneys offices are included in the civil litigation decision unit.

Legal Education

The purpose of this activity is to improve the level of Government legal representation by providing quality continuing legal education to an increasing percentage of the Federal attorneys and other legal personnel. Major training initiatives include asset forfeiture, basic and advanced criminal, and bank fraud courses. The LEI has added a modified Federal Practices course to meet the needs of newly hired attorneys who are experienced litigators in the private sector but who need exposure to federal legal practices.

Management and Administration

The Management and Administration activity is charged with supporting the United States Attorneys' litigation activities with administrative services. This includes: personnel coordination and assistance; formulation and execution of an operating budget; securing and maintaining adequate space and equipment; the conduct of field reviews; design and implementation of a caseload management system; and financial litigation direction to result in optimal efficiency of debt collection. Major initiatives this year are the implementation of Project Eagle and establishment of the Debt Collection activity.

United States Attorneys

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in the appropriation language. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For necessary expenses of the Office of the United States Attorneys, [$444,862,000], $628,095,000 of which not to exceed $5,000,000 shall be available until September 30, [1991], 1992 for the purposes of (1) providing training of personnel of the Department of Justice in debt collection, (2) providing services related to locating debtors and their property, such as title searches, debtor skiptracing, asset searches, credit reports, and other investigations, and (3) paying the costs of sales of property not covered by the sale proceeds, such as auctioneers' fees and expenses, maintenance and protection of property and businesses, advertising and title search and surveying costs [:Provided, That of the total amount appropriated, not to exceed $8,000 shall be available for official reception and representation expenses]. (28 U.S.C. 519, 541-550, 48 U.S.C. 1424, 1617, 1694; Department of Justice Appropriations Act, 1990; additional authorizing legislation to be proposed.)

[To continue efforts begun in fiscal year 1989 to improve the ability of the United States Attorneys to prosecute drug and other crime related offenses, $80,699,000, for new assistant United States Attorneys, for annualization of new attorney positions funded in fiscal year 1989, and for automation enhancements necessary to provide productivity and case management in the various United States Attorneys offices.] (Department of transportation and Related Agencies Appropriation Act, 1990.)

Explanation of Changes

The proposed deletion removes language that is not needed because the reception and representation allowance is proposed for consolidation in the Department's general provisions.

United States Attorneys

Salaries and expenses

Crosswalk of 1990 Changes

(Dollars in thousands)

Activity/Program	1990 President's Budget Request			1990 Sequestration			Reprogrammings			1990 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amount	Pos.	WY	Amt.	Pos.	WY	Amt.
1. Criminal Litigation.............	5,787	4,938	$362,026	...	-225	-$4,658	...	...	...	5,787	4,713	$357,368
2. Civil Litigation................	1,982	1,952	134,884	...	...	-1,735	...	...	...	1,982	1,952	133,149
3. Legal Education.................	24	23	5,366	...	...	-69	...	...	...	24	23	5,297
4. Management and Administration......................	168	184	18,285	...	...	-235	...	...	...	168	184	18,050
5. Debt Collection.................	...	...	5,000	...	...	...	...	...	...	...	...	5,000
TOTAL..........................	7,961	7,097	525,561	...	-225	-6,697	...	...	...	7,961	6,872	518,864

1990 Sequestration. Sequestration amounts are distributed to each program category in accordance with the Omnibus Budget Reconciliation Act of 1989, as defined in House Report 101-73 and Senate Report 101-144. However, if the U.S. Attorneys are to meet basic costs without harming our litigative efforts, it is anticipated that a reprogramming will be necessary.

United States Attorneys

Salaries and expenses

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990	7,961	7,097	$444,862
Department of Transportation, Appropriations Act, 1990, - Emergency Drug Funding	...	...	80,699
1990 as enacted	7,961	7,097	525,561
1990 Sequestration	...	-225	-6,697
1990 appropriation anticipated	7,961	6,872	518,864
Transfer of the Organized Crime Strike Forces from Criminal Division	186	170	13,600
Mandatory increases	...	812	103,694
Decreases	...	...	-1,907
1991 base	8,147	7,854	634,251

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. United States Attorneys	7,961	6,872	$513,864	8,147	7,854	$629,251	8,147	7,854	$623,095	...	...	-$6,156
2. Debt Collection	...	...	5,000	...	...	5,000	...	...	5,000	...	...	...
Total	7,961	6,872	518,864	8,147	7,854	634,251	8,147	7,854	628,095	...	...	-6,156

EOY Employment:	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
Full-time permanent	7,159	640	7,799	7,329	640	7,969	7,329	785	8,114	...	145	145
Other	576	...	576	576	...	576	576	...	576	...	...	...
Total	7,735	640	8,375	7,905	640	8,545	7,905	785	8,690	...	145	145

United States Attorneys

Salaries and expenses

Summary of Resources by Program

(Dollars in thousands)

	1989 as Enacted			1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by Program	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
United States Attorneys:																		
Criminal Litigation...	3,940	3,793	$270,463	3,940	3,769	$268,386	5,787	4,713	$357,368	5,973	5,683	$459,439	5,973	5,683	$453,283	...	...	-$6,156
Civil Litigation......	1,967	1,706	128,267	1,967	1,693	128,943	1,982	1,952	133,149	1,982	1,952	142,905	1,982	1,952	142,905	...	...	...
Legal Education.......	25	22	3,452	25	22	3,445	24	23	5,297	24	23	7,236	24	23	7,236	...	...	...
Organized Crime Drug Enforcement...........	650	517	41,795	650	513	41,627	...	...	...	...	...	...	...	...	...	...	...	...
Management and Administration...........	148	157	16,235	148	156	15,961	168	184	18,050	168	196	19,671	168	196	19,671	...	...	...
Subtotal............	6,730	6,195	460,212	6,730	6,153	458,362	7,961	6,872	513,864	8,147	7,854	629,251	8,147	7,854	623,095	...	...	-6,156
Debt Collection.........	......	......	......	...	...	...	...	...	5,000	...	...	5,000	...	...	5,000	...	...	...
Total.................	6,730	6,195	460,212	6,730	6,153	458,362	7,961	6,872	518,864	8,147	7,854	634,251	8,147	7,854	628,095	...	...	-6,156
Reimbursable Workyears..		...			...			652			652			800			148	
Total Workyears.........		6,195			6,153			7,524			8,506			8,654			...	
Other Workyears:																		
Holiday...............		...			...			...			...			...			...	
Overtime:																		
AUO...................		1			1			1			1			1			...	
Other.................		34			34			30			30			30			...	
Total compensable Workyears...........		6,230			6,188			7,555			8,537			8,685			148	

United States Attorneys
Salaries and expenses
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

Activity U.S. Attorneys	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Litigation..................	5,787	4,713	$357,368	5,973	5,683	$459,439	5,973	5,683	$453,283	...	...	-$6,156
Civil Litigation.....................	1,982	1,952	133,149	1,982	1,952	142,905	1,982	1,952	142,905	...	...	...
Legal Education......................	24	23	5,297	24	23	7,236	24	23	7,236	...	...	...
Management and Administration........	168	184	18,050	168	196	19,671	168	196	19,671	...	...	...
Total..............................	7,961	6,872	513,864	8,147	7,854	629,251	8,147	7,854	623,095	...	...	-$6,156

This budget activity includes resources for the primary mission of the United States Attorneys. Funds requested for this activity support personnel involved both at headquarters and in the field in the prosecution of individuals charged with violations of Federal law in several areas.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Litigation..................	5,787	4,713	$357,368	5,973	5,683	$459,439	5,973	5,683	$453,283	...	...	-$6,156

Long-Range Goals: To identify, investigate, prosecute, and convict those persons and legal entities who have committed offenses against the laws of the United States.

Major Objectives:

To identify, investigate, prosecute and convict those controlled substances violators whose organizations and conspirators do not meet Organized Crime Drug Enforcement criteria but whose activities have a major adverse impact on the quality of life in local communities -- especially those communities whose law enforcement resources are not adequate to address the problems presented.

To ensure the investigation and prosecution of major organized criminal groups and activities.

To increase and intensify Federal law enforcement efforts in major fraud, money laundering, and insider abuse cases affecting financial institutions; similarly to increase enforcement efforts involved in protecting the integrity of the nation's financial markets against fraud, inside trading and other related abuses.

To increase and intensify federal law enforcement efforts against white collar crime with particular emphasis on the following areas:

a. criminal violations of the environmental laws
b. bankruptcy fraud
c. consumer fraud
d. criminal violations of the export laws affecting critical technology
e. tax evasion

To identify, investigate, prosecute and convict those who are criminally involved in fraud against the United States, especially with regard to defense programs, waste of the United States' assets and resources, and abuse of the responsibilities related to contracts with the United States.

Base Program Description: The 1991 criminal litigation base includes 256 positions for financial institution fraud and 1,600 positions for the Administration's Violent Crime initiative that were funded in the 1990 Department of Transportation Appropriations Act, Emergency Drug Funding. Half of the workyears associated with the positions for the Violent Crime initiative are annualized in 1991. However, 225 workyears unfunded in 1990 as a result of the Budget Reconciliation Act will remain unfunded in 1991. The financial institution fraud positions will be used to concentrate on prosecuting officers of institutions that have perpetrated schemes to divert investors' deposits to personal use or to high risk ventures that were improperly secured and thereby contributed to the bankruptcy of numerous thrifts, savings and loans associations and banks. The violent crime positions will be used to prosecute narcotics dealers, money launderers, white collar criminals and offenders who use firearms during the commission of crimes.

The 1991 criminal litigation base also includes the transfer of 186 Organized Crime Strike Force positions from the Criminal Division. The incorporation of these positions into U.S. Attorneys' offices should improve the planning and execution of investigations and prosecutions of organized crime cases. These resources will constitute the nucleus of Organized Crime Units in the U.S. Attorneys' offices dedicated exclusively to organized crime matters.

Most alleged violators of Federal criminal laws are reported to the U.S. Attorneys by one of the several Federal investigative agencies. A few violations are reported to U.S. Attorneys by citizens, and others come to the attention of U.S. Attorneys in the course of prosecuting related criminal conduct. After considering various factors, a decision is reached on the appropriateness of Federal prosecution. The U.S. Attorneys then become responsible for engaging in the established legal procedures for the purposes of obtaining a conviction of alleged violators of Federal criminal laws.

Except for misdemeanor offenses and instances in which the defendant waives his/her right to a grand jury indictment, the evidence against an alleged offender is presented to a grand jury, and the jurors make the official decision for prosecution by voting on an indictment proposed by the U.S. Attorney. Following the delivery of an indictment, the U.S. Attorney is responsible for presenting the charges at the arraignments of the defendant and for participating in preliminary hearings concerning such issues as the defendant's bail status, the propriety of the indictment, the forfeiture of the defendants property, the competency of the defendant, and the admissibility of evidence. Although barely 10 percent of all criminal prosecutions are concluded by a trial, the U.S. Attorneys must always be prepared to go to trial to avoid the risk of dismissal for noncompliance with Speedy Trial Act time limits and to negotiate effectively with defense counsel for a guilty plea by the defendant. Whenever the defendant is unwilling to admit guilt and a trial becomes necessary, the U.S. Attorney then is responsible for presenting factual evidence which will convince the jury of the defendant's guilt and then sustaining the conviction at post-trial hearings and appeals. Most criminal appeals at the Court of Appeals level are handled by the U.S. Attorneys' offices. After filing a brief, U.S. Attorneys may be required to participate in oral arguments before the Appellate court. If further proceedings are required, the U.S. Attorneys may be called upon to assist the Department's legal divisions and the Solicitor General in preparing the case for review by the U.S. Supreme Court.

Accomplishments and Workload: Accomplishments of the Criminal Litigation program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Matters pending, start-of-year	57,971	56,942	62,150	64,380
Matters received	91,444	103,204	117,000	129,500
Matters terminated	92,473	97,996	114,770	129,370
Matters pending, end-of-year	56,942	62,150	64,380	64,510
Cases pending, start-of-year	28,402	32,509	39,525	47,405
Cases filed	37,192	40,000	44,870	48,550
Cases terminated	33,085	32,984	36,990	40,030
Cases pending, end-of-year	32,509	39,525	47,405	55,925
Grand jury proceedings	20,184	23,120	28,000	31,600
Cases tried	3,473	3,694	4,150	4,500
Defendants charged	48,213	52,697	58,650	63,450
Gross value of assets forfeited*	...	$686,848,000	$500,000,000	$525,000,000

*Includes administrative forfeitures, which are processed by the investigative agencies, judicial forfeitures, which are handled by the U.S. Attorneys' offices, Customs Service forfeitures and agencys' bidbacks of property. The 1989 value reflects a one-time deposit of $225,000,000 stemming from the Drexal, Burnham, Lambert case.

The Criminal Litigation program objectives are accomplished through the work of 94 U.S. Attorneys' offices, each of which has responsibility for the investigation and prosecution of a wide range of proscribed criminal behavior. Actual and estimated accomplishments are reflected above in the Accomplishments and Workload summary. This includes 5,236 criminal appeals filed. The greatest volume of filings in 1989 were in controlled substance 10,457, fraud against Government 1,921, immigration 1,680, weapons control 2,365, and mail and wire fraud 1,880. Cases terminated totaled 32,984 in 1989. Of the 43,721 individuals prosecuted in these cases, 31,774 defendants made pleas of guilty; 3,256 were found guilty after trial; and 994 were found not guilty. The number of defendants tried increased by 9.6 percent over 1988.

As a result of the additional resources provided in 1990, the Criminal Litigation program will reflect substantial workload growth in both 1990 and 1991. Case filings in the drug law enforcement area will rise in direct proportion to the resources added. Concomitant with the drug law filings, there will be increases in asset forfeiture cases. It is anticipated that the increase in agents provided to the Drug Enforcement Administration and the Federal Bureau of Investigation in the Anti-Drug Abuse Act in 1989 will lead to a further rise in overall matters referred. The U.S. Attorneys should be able to address these matters and reduce the current backlog since the attorney population will be growing in larger increments than the agent population. Additional case filings will result in 1990 and 1991 as a result of the integration of the Organized Crime Strike Forces. Cases tried should increase due to two reasons: (1) the increase in case filings; and (2) the recognition by opposing counsel of stiffer mandatory penalties provided in the recently enacted Sentencing Guidelines.

Program Changes:

	1991 Base			1991 Estimate			Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Litigation..	5,973	5,683	$459,439	5,973	5,683	$453,283	...	...	-$6,156

A decrease of $6,156,000 is reflected for the criminal litigation area in 1991 to meet the Gramm, Rudman, Hollings Deficit Reduction Act Targets.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Civil Litigation......................	1,982	1,952	$133,149	1,982	1,952	$142,905	1,982	1,952	$142,905	...	...	...

Long-Range Goal: To protect and to advance the interests of the United States through the conduct of civil litigation.

Major Objectives:

To respond promptly and professionally to all law suits brought against the United States, its officers and employees.

To protect the Federal fisc through the conduct of aggressive affirmative litigation to recover for the United States all possible monetary losses and compensation for damages including recovery for damages and collecting losses as a result of fraud against the Government.

To support Federal programs, as necessary, by litigation and negotiation.

To collect monies owed the States.

To defend the United States against loss in bankruptcy and other proceedings in which the United States has a financial interest.

To represent the interests of the United States in affirmative and defensive environmental litigation.

To aggressively use new property forfeiture statutes to seize assets of drug and other offenders.

To articulate completely and forcefully the positions of the United States on issues presented by the Courts of Appeals.

Base Program Description: Civil matters and cases consume a significant portion of the U.S. Attorneys' resources especially in the areas of recovery of money, defense of monetary claims and debt collection. The ligitation brought against the Government covers a range of causes of action including torts (damage suffered as a result of Government action--e.g., collision with a postal service vehicle, malpractice by a Government physician, invasion of privacy by a Government agent), the determination of social security benefits, tax refunds, contract violations, racial/sexual/age discrimination, and habeas corpus. The Government, on the other hand, initiates civil litigation against private parties for a wide range of purposes of its own. These purposes include the recovery of money from the Government by fraud, the acquisition of interests in land by eminent domain proceedings, the enforcement of administrative summonses, the enforcement of environmental, admiralty, civil rights and other laws for which there are civil law penalties, and the recovery of debts owed to the Government.

Accomplishments and Workload: The civil litigation workload of the United States Attorneys follows:

Item	1988	1989	Estimates 1990	 1991
Matters Received	95,610	101,786	103,000	105,000
Matters Terminated	101,168	101,343	102,550	102,550
Matters Pending End of Year	23,677	24,120	24,570	25,998
Cases Filed	89,838	92,760	93,850	95,630
Cases Terminated	99,434	98,150	99,250	99,250
Cases Pending End of Year	144,870	139,480	134,080	154,214
Appeals Filed	3,343	4,004	4,050	4,130
Appeals Terminated	3,383	3,395	3,450	3,520
Trials*	1,095	2,430	2,460	2,500

*Increase in trials in 1989 is a reflection primarily of increased reporting accuracy.

Explanation

Affirmative Civil Litigation: Affirmative civil litigation maintains the integrity of many of the Government programs. Affirmative litigation can act as a deterrent to those persons or entities seeking to defraud the Government. In 1989, 36,350 of the 97,805 matters received were matters in which the Government acted as the plaintiff. The amount in controversy of these referrals was $2,063,550,419. The number of referrals in which fraud was alleged in 1989 was 1.3 percent of the total number of referrals, yet the dollar amount in controversy in claims where fraud was alleged was $175.9 million (8.5 percent). The amount in controversy in fraud claims is thus higher than the average affirmative civil litigation matter displayed in the U.S. Attorneys' Annual Statistical Report for 1989.

Many large fraud cases result in parallel criminal and civil investigations. Early involvement of civil attorneys can increase the probability of successful recovery for the Government. Some criminal investigations do not result in prosecution, yet these cases can result in significant civil recoveries. Several recent examples illustrate this fact:

In the Northern District of Illinois, the U.S. Attorney's office reached a settlement with Sunstrand. This settlement included resolution of both a criminal case and civil claim for procurement fraud. Sunstrand agreed to pay $115,000,000 for criminal fines, civil penalties and restitution for overcharging the Government on defense contracts. The case was based upon cost overruns improperly charged to overhead accounts.

In the Northern District of Ohio, TRW Inc. entered a plea of guilty to three counts of conspiracy to defraud the Government. As part of this settlement, criminal fines and penalties of $3 million were paid. TRW also agreed to pay $3 million as an advance payment towards restitution. Previously, TRW had paid $8.8 million in connection with the civil case.

In June 1988, the U.S. Attorney's office for the Southern District of New York filed a racketeer influenced and corrupt organization (RICO) case against the Teamsters Union. Prior to trial, this case was substantially resolved by civil settlement. It was agreed that the court would appoint an administrator to serve until 1992. Also, investigative officers and an elections officer were appointed to serve until 1996. The elections officer will ensure fair and impartial elections. The parties agreed that the rank-and-file members would participate in direct election of officers by secret ballot. Five officers were removed. In addition, by agreement, 22 injunctions were entered against alleged members of La Costa Nostra. The cases against the three remaining defendants are pending for trial. U.S. Attorneys, in such cases as the Teamsters Union case, have attempted to ensure that union affairs are not run by La Costa Nostra, but by individual members of the union.

Two environmental cases with significant recoveries are: 1) In the Northern District of Oklahoma, the U.S. Attorney's office collected over $2 million for polychlorinated biphenyl (PCB) contamination in a postal service facility. In 1982, an electric transformer fire occurred in the Federal courthouse in Tulsa, Oklahoma. Certain areas in the building were contaminated with PCB. The United States recovered the above monies from the electric utility company. 2) In the Western District of New York, the U.S. Attorney's office and the Department of Justice's Lands Division, entered into a consent decree obligating Atlantic Richfield Company to spend nearly $9 million for cleanup of a hazardous waste site in the town of Wellsfield, New York.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Education............	24	23	$5,297	24	23	$7,236	24	23	$7,236	...	...	...

Long-Range Goal: To improve the quality of Government legal representation.

Major Objectives:

To provide effective, quality continuing legal education to an increasing percentage of the Federal attorneys and other legal personnel.

To provide special training to meet policy priorities and special problems such as asset forfeitures, victim and witness protection, and the Organized Crime Drug Enforcement Task Forces, which cross department and agency lines.

To offer video and audio tapes and other materials as a means of reaching a greater percentage of the Federal attorneys in district and regional offices of the Government, and to reduce the travel costs associated with Washington-based continuing legal education.

Base Program Description:

The Office of Legal Education (OLE) administers two institutes and one unit: The Attorney General's Advocacy Institute (AGAI), the Legal Education Institute (LEI); and the Legal Support Training Unit (LSTU). All training courses and seminars have been certified for continuing legal education credits and are accredited in all states with mandatory continuing legal education requirements. The potential audience for continuing legal education includes more than 27,000 attorneys. The AGAI utilizes experienced Federal trial attorneys as instructors. The instructors deliver advocacy lectures, lead discussion groups and conduct exercise sessions. Federal judges also participate at the AGAI, presiding over mock trials and mock appellate arguments. The caliber of AGAI faculty and the use of sophisticated videotaping facilities provide students with unique advocacy training. Specialized seminars are also offered in conjunction with the litigating divisions of the department and other executive agencies.

The LEI directs its program to all attorneys in the Executive Branch. LEI offers skills training in trial advocacy, basic and advanced negotiation techniques, administrative advocacy and a wide variety of substantive subjects. Administrative and courtroom advocacy skills are taught through workshops during which exercises are videotaped for critical analysis by experienced practitioners. Federal attorneys and other legal personnel are not only participants but are also advisors, curriculum developers, and teachers of the LEI program. The LEI has added a modified Federal Practices course to meet the needs of newly hired attorneys who are experienced litigators in the private sector but who need exposure to federal legal practices. The programs are held primarily in Washington, D.C.

The LSTU was formed to administer training programs for legal support personnel. LSTU offers skills training and substantive course training for paralegals, legal technicians, and other legal support staff. The LSTU utilizes experienced Federal attorneys, law school professors, and legal support personnel as instructors in its programs. The programs are held primarily in Washington, D.C.

Accomplishments and Workload: The Legal Education workload of the United States Attorneys follows:

Item	1988	1989	Estimates 1990	 1991
Advocacy Institute (AGAI)				
Criminal Sessions Offered	6	6	13	25
Advanced Crime Sessions	2	4	8	15
Civil Law Sessions Offered	6	6	8	13
Appellate Sessions Offered	3	4	4	5
Other Courses	...	12	12	15
Total Courses AGAI	17	32	45	73
Students Rec. AGAI Instruct	1,192	1,991	2,386	3,160
Students Rec. Private Sector training	500	2,000	2,250	2,950
Specialized Seminars Cond.	30	25	33	39
Students part. in Spec. Sem.	1,860	1,550	2,150	2,650
Legal Education Ins (LEI)				
Total live courses by LEI	40	54	53	56
Total number of part	3,273	4,512	4,650	4,866
Total video courses by LEI	26	48	60	60
Total number of part	1,257	1,330	1,600	1,600
Legal Support Train. Unit (LSTU)				
Total courses offered by LSTU	11	26	28	30
Students rec. LSTU Ins	460	1,531	1,731	1,871

Explanation

In 1989, the new positions granted by the Anti Drug Abuse Act required two more advanced criminal courses and one more appellate session. Twelve other courses were added, six to meet demands resulting from increased Freedom of Information Act (FOIA) requests received nationwide, and six courses were added as a result of the new Sentencing Guidelines. The amount of attorneys receiving private sector training increased from 1988 to 1989. This apparent increase is the result of an artificially low enrollment in Fiscal Year 1988 due to funding constraints which were lifted in Fiscal Year 1989. The increase in LEI and LSTU courses in 1989 were also based on the fact that courses were cancelled in 1988 due to budgetary problems; and the additional positions earmarked for Asset Forfeiture provided in the Anti Drug Abuse Act of 1988, created a need for courses in Asset Forfeiture training.

In 1990, a full program is projected due to the fact that the additional positions granted in 1989 would be on board for the entire year of 1990. The enactment of the Violent Crime initiative will require basic criminal and civil courses for attorneys. LEI will offer courses in Advanced Negotiation, International Trade Law, Medical Malpractice and Bankruptcy. LSTU will offer courses in Asset Forfeiture, Procurement, Equal Opportunity Employment and Law Enforcement Coordinating Committee training.

In 1991, the remainder of those attorneys hired in 1990 who did not get trained in basic Criminal and Civil courses will be trained if annualized costs are realized in 1991.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration................	168	184	$18,050	168	196	$19,671	168	196	$19,671	...	...	...

Long-Range Goal: To provide consistent direction and appropriate distribution of resources to the U.S. Attorneys and to respond promptly and efficiently to the administrative and management needs of the 94 U.S. Attorneys' offices.

Major Objectives:

To provide management, leadership and direction to the Executive Office for U.S. Attorneys and the U.S. Attorneys' offices.

To coordinate the successful implementation of all 94 district Law Enforcement Coordinating Committee plans.

To represent the interests of all U.S. Attorneys in the development of Department of Justice policy and to support system-wide consistency in the conduct of federal litigation.

To conduct field review, management audit and performance evaluations of each U.S. Attorney's offices.

To formulate and execute an operating budget to satisfy the operational needs of U.S. Attorneys' offices.

To formulate and implement Equal Employment Opportunity plans.

To formulate and exercise personnel management policy and authority in order to obtain the most qualified individuals for positions in the U.S. Attorneys' offices.

To provide all administrative support necessary to obtain adequate space and equipment.

To complete the design and implementation of a caseload management system and to make available optimum office technology for the U.S. Attorneys.

To provide policy direction that will result in optimal efficiency in the collection of debts owed the Government.

Base Program Description: The Management and Administration program encompasses all of the Executive Office for U.S. Attorneys (EOUSA) with the exception of the Office of Legal Education. The EOUSA provides general assistance and supervision to the 94 U.S. Attorneys' offices, and coordinates and directs the relationship of other organizational units of the Department with these offices. Through the Office of Information Management, the EOUSA provides U.S. Attorneys offices with the information and automated information systems necessary to achieve Department objectives and to ensure efficient use of resources. The Evaluation and Review Staff of the EOUSA assists U.S. Attorneys in recognizing improvements that can be made in the use of professional personnel while reducing the cost of operating a U.S. Attorney's office. The EOUSA, through its Legal Counsel unit, provides legal interpretations and advice to U.S. Attorneys on concerns such as legislation, regulations and departmental guidelines. In addition, the EOUSA has responsibility for implementing affirmative action programs within the U.S. Attorneys' offices while managing a discrimination complaint program through its Equal Employment Opportunity unit. The Financial Litigation staff of the EOUSA provides direction and oversight to U.S. Attorneys in the conduct of their debt collection activities. One of the more critical responsibilities of the EOUSA is the oversight of each U.S. Attorney's office Law Enforcement Coordinating Committee (LECC) program. Each office is responsible for the formulation and implementation of the LECC plan. These plans are the backbone of the Administration's efforts to join with State and local authorities in conducting law enforcement functions. Another important responsibility of the EOUSA is the exercise of personnel management authority within the EOUSA and the U.S. Attorneys' offices. The personnel authority includes all phases of personnel operations such as recruiting, classification, training, adverse action and employee relations. The acquisition and renovation of space as well as procurement of all equipment, furniture, supplies and material are program functions of the EOUSA. Finally, through its Financial Management Staff, the EOUSA formulates and executes a budget for all 94 U.S. Attorneys' offices and itself. The formulation process includes any need for amendments, supplementals, reimbursements and transfers.

Accomplishments Workload: The Management and Administration workload of the United States Attorneys follows:

Item	1988	1989	Estimates	
			1990	1991
LECC Unit				
a. Briefings on LECC/VW activities/written communication	850	1,040	1,300	1,625
b. Technical assistance/Oral Communication	3,477	4,160	4,420	5,525
Personnel				
a. AUSA appointments	938	1,043	2,200	1,900
b. Non-attorney appointments	2,508	3,175	2,470	2,270
c. Position classifications completed	1,568	807	1,000	1,000
d. Other Personnel actions processed/proposed	44,357	36,624	40,000	40,000
e. Security actions processed	7,219	13,773	17,000	17,000
Equal Employment Opportunity Unit				
a. Informal complaints received	16	19	30	30
b. Informal complaints terminated	11	11	15	15

Item	1988	1989	Estimates 1990	Estimates 1991
Legal Counsel				
a. Freedom of Information requests received	1,802	1,600	2,200	2,700
b. Freedom of Information requests completed	2,147	1,600	1,600	1,600
Space renovations	485	842	845	580
Requisitions for services and goods processed	2,265	1,067	100	100
Procurement actions completed by field offices	...	54,626	81,852	88,968
Office evaluation reports	15	43	30	45
Financial transactions records	7,000	8,000	8,800	9,500
Financial Litigation Staff				
a. U.S. Attorneys' cash collections ($000)*	289,750	316,858	261,776	287,954
b. Number of returns offset	9,664	6,863	6,900	7,000
Office of Information Management				
a. Project Eagle District Implementations	...	...	54	39
b. Case Management Implementations (PC-USACTS)	...	...	51	...
c. Case Management Implementations (Eagle equipment)	...	...	...	43

*Responsibility for collecting criminal fines shifted to the Administrative office of the U.S. Courts during 1989 causing U.S. Attorneys collections to decrease in 1990.

Explanation

The Financial Litigation Staff (FLS) is responsible for providing technical, legal, and administrative support and debt collection training to the Financial Litigation units within the 94 U.S. Attorneys' offices. FLS has also assumed responsibility for implementation of the asset forfeiture contract which permits contractual hiring of litigation support personnel. The cash collections include collections through U.S. Attorneys' offices, collections through the IRS Tax Return Offset Program, and collections through the Private Counsel Pilot Program in which five additional districts began participating this fiscal year. As of May 1, 1989, Clerks of the Court became responsible for processing payments of criminal fines. U.S. Attorneys' offices remain responsible for enforcing collection of these debts but ordinarily do not accept payments.

The Information Management office completed the final portion of the new case management systems in 91 U.S. Attorneys' offices. The information contained in these systems will be used to respond to requests for information and will be provided to the Justice Management Division (JMD) for inclusion in the Department case management system.

The accomplishments table contains a new workload statistic under Information Management for the requested Project Eagle Office Automation System. The U.S. Attorneys are engaged in acquiring multiple-function office automation equipment. This equipment will replace existing word processing equipment in all the U.S. Attorneys' offices and will be capable of performing case tracking and other functions. This acquisition, undertaken in conjunction with two other Department components, has been named Project Eagle.

A contract was awarded in June 1989, and it is planned that Eagle equipment will be installed in 53 United States Attorneys' offices and the Executive Office for United States Attorneys by the end of Fiscal Year 1990. Installation of equipment will continue in 1991. In addition, the second generation of computer based case management software will be developed programmed to operate on the equipment selected through Project Eagle. Installation of the new case management system will commence in 1991 and continue in 1992 along with installation of optional additional equipment.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Debt Collection.........................	...	...	$5,000	...	...	$5,000	...	...	$5,000	...	...	...

Long Range Goal: To improve the collection of monies from individuals who owe the Federal Government billions of dollars in unpaid civil, criminal and tax debts.

Major Objectives:

To establish a special Debt Collection activity to pay for specialized services needed to improve the effectiveness and efficiency of debt collection personnel.

To provide debt collection training to Department of Justice personnel.

To develop a more aggressive and effective Debt Collection Program throughout the Department of Justice nationwide.

Base Program Description: The monetary recovery program of the Department of Justice has been declared a priority initiative in order to return significantly more money to the U.S. Treasury. Through the administration of a Debt Collection activity, the U.S. Attorneys will devote monies to promote and improve the performance of all Department of Justice personnel involved in debt collection functions.

Accomplishments and Workload: All debt collection accomplishment workload of 94 U.S. Attorneys' offices is included in the civil litigation decision unit.

United States Attorneys
Salaries and expenses

Financial Analysis - Program Decrease
(in thousands of dollars)

ITEMS	Criminal Litigation Program Decrease
	Amount
Total personnel compensation	-$3,528
Personnel benefits	-1,009
Travel and transportation of persons	-244
Transportation of things	-19
Rental payments to GSA	-219
Communications, utilities, and miscellaneous charges	-133
Printing and reproduction	-43
Other services	-357
Supplies and materials	-58
Equipment	-545
Total obligation changes requested, 1991	-6,156

Positions or workyears are not reduced since the U.S. Attorneys will absorb this reduction by continuing, into 1991, the 1990 reduction of 225 workyears to meet the permanent sequester.

United States Attorneys

Salaries and expenses

Priority Ranking

Base Program	
Program	Ranking
Criminal	1
Civil	2
Legal Education	3
Management and Administration	4

United States Attorneys
Salary and expenses
Detail of Permanent Position by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1991	
			Transfers[1]	Total
Attorneys (905)	3,122	3,738	122	3,860
Paralegal specialist (905)	478	678	7	685
Legal and Kindred (900-998)	979	979	...	979
Criminal Investigative Series (1811)	10	10	...	10
Social Science, Economics and Kindred (100-199)	2	2	...	2
Personnel Management	28	28	...	28
Gen. Admin. Clerical and Office Services (300-399)	2,089	2,484	57	2,541
Accounting & Budget (500-599)	12	32	...	32
Library and Archives (1400-1499)	8	8	...	8
Supply Group (2000-2099)	2	2	...	2
TOTAL	6,730	7,961	186	8,147
Washington	181	193	..	193
U.S. Field[2]	6,549	7,768	186	7,954
TOTAL	6,730	7,961	186	8,147

---

[1] 186 positions were transferred from the Criminal Division, General Legal Activities Appropriation for Organized Crime and Racketeering Strike Forces in 1991.

[2] Includes 445 positions for field offices in Washington, D.C. SMSA in 1989 and 430 positions in 1990 and 1991.

United States Attorneys
Salaries and expenses
Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act 1990	7,961	7,097	$444,862
Department of Transportation Appropriations Act, 1990-Emergency Drug Funding	...	...	80,699
1990 as enacted	7,961	7,097	525,561
1990 Sequestration	...	-225	- 6,697
1990 appropriation anticipated	7,961	6,872	518,864
Adjustments to base:			
Transfer of Organized Crime Strike Forces from Criminal Division	186	170	13,600
Mandatory Increases:			
Annualization of Violent Crime Initiative	...	800	71,800
Annualization of Project Eagle	...	12	426
Additional compensable day	...	...	1,307
1990 Full Year Pay Increase[1]	...	...	13,195
1991 Pay Increase	...	...	4,807
Senior Executive Service pay increase	...	...	3,053
Special Salary Rates	...	...	595
Health Benefits	...	...	1,623
Federal Employee Retirement System (FERS)	...	...	4,185
Federal Employee Compensation Act Unemployment Compensation	...	...	50
GSA Rent	...	...	1,982
GPO printing costs	...	...	177
Employee Data and Payroll Services	...	...	94
Project Eagle Maintenance	...	...	400
Total Mandatory increases	...	812	103,694
Decreases:			
Federal Employee Compensation Act (FECA) Workers Compensation	...	...	-66
Federal Telecommunications System	...	...	-1,841
Total decreases	...	...	-1,907
1991 Base	8,147	7,854	634,251
Program Changesl:			
Criminal Litigation	...	...	-6,156
1991 Estimate	8,147	7,854	628,095

---

[1] The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will incude deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

United States Attorneys
Salaries and expenses
Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Transfers to and from other accounts:			
Transfer from Criminal Divison, General Legal Activities. This transfer represents the reassignment of all personnel who were assigned to the Criminal Division's Organized Crime Strike Forces and have been integrated into the U.S. Attorneys' offices.	186	170	$13,600
Mandatory Increases:			
1. Annualization of new positions. This provides for the annualization of 1,600 positions approved in the 1990 Violent Crime amendment	...	800	71,800

	Approved 1990 Increases	Annualization Required
Annual salary rate of 1,600 approved positions	$60,094	...
Less lapse	-40,485	$40,485
Net permanent compensation	19,609	40,485
Other personnel compensation	201	334
Special personal services	278	340
Associated employee benefits	5,711	11,763
Travel and transportation of persons	2,234	2,846
Transportation of things	121	219
GSA rent	1,733	2,558
Rental payments to others	89	...
Communications, utilities and misc. charges	770	1,549
Printing	120	520
Other services	8,127	4,161
Supplies and materials	166	674
Equipment	10,041	6,351
Total costs subject to annualization	49,600	71,800

	Perm. Pos.	Work-years	Amount
2. Annualization of 25 new positions	...	12	$426

This provides for the annualization of 25 positions approved in the 1990 budget for Project EAGLE.

	Approved 1990 Increases	Annualization Required
Annual salary rate of 25 approved positions	$722	
Less lapse (50 percent)	-361	$361
Net compensation	361	361
Associated employee benefits	83	65
Total costs subject to annualization	444	426

	Perm. Pos.	Work-years	Amount
3. One additional compensable day	...	...	1,307

The annual salary rate for Federal employee is based on 260 paid days. During 1991 there is one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.

	Perm. Pos.	Work-years	Amount
4. 1990 Full-year pay increase impact on 1991	...	...	13,195

This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $13,195,000 is the amount required for full year funding in 1991. NOTE: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

	Perm. Pos.	Work-years	Amount
5. 1991 Pay Increase	...	...	4,807

For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This request provides for 50 percent of the proposed 4.0 percent pay increase effective in January of 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $4,807,000, is the cost of the pay increase for approximately three-quarters of the year assuming a 50-percent absorption.

	Perm. Pos.	Work-years	Amount
6. Senior Executive Service pay increase	...	...	3,053

This request represents the 1991 costs of the pay increase for senior executive service employees. This pay raise is to be effective in January of 1990, but will be absorbed completely [illegible] the first year. In 1991, an increase of $3,053,000 is necessary for this requirement. Funding for the executive level employees pay raise is completely absorbed in both years.

	Perm. Pos.	Work-years	Amount
7. Special Salary Rates	...	...	$595

This request provides increases as authorized by law in 5 U.S.C. 5303. The Office of Personnel Management has approved these rates for positions where retention and recruitment of qualified applicants is a problem. The Department's request represents coverage of 31 authorized special rates.

	Perm. Pos.	Work-years	Amount
8. Health Benefits	...	...	1,623

The Federal Employees Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1989, the actual contribution to health insurance increased 28 percent. The requested increase of $1,623,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.

	Perm. Pos.	Work-years	Amount
9. Federal Employees Retirement System (FERS)	...	...	4,185

This request provides for the additional costs in 1991 necessary to continue the implementation of the Federal Employees Retirement System Act of 1986, P.L. 99-335. The Act established a retirement program for Federal civilian employees hired after December 31, 1983, who are covered by social security and for employees under the Civil Service Retirement System who chose to transfer to the new system. The increased requirement for 1991 is based on actual agency payments for the basic FERS annuity, Social Security and thrift savings.

	Perm. Pos.	Work-years	Amount
10. Federal Employees' Compensation Act (FECA) - Unemployment compensation	...	...	50

This increase reflects the billing provided by the Department of Labor for the actual costs in 1989 of employees' unemployment compensation. The 1991 amount will be $150,000 or $50,000 over the 1990 base.

	Perm. Pos.	Work-years	Amount
11. GSA Rent	...	...	1,982

GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. A mandatory increase of $1,982,000 is required to meet our commitment to GSA.

	Perm. Pos.	Work-years	Amount
12. Government Printing Office (GPO) printing costs	...	...	177

The GPO is currently projecting a seven-percent increase over the 1990 printing costs of $2,[illegible],000. An additional $177,000 will be required in 1991.

Mr. Smith. Do you have a statement?

Mr. Richmond. My name is Jim Richmond. I have a statement which I would ask be made part of the record.

Mr. Smith. All right.

Mr. Richmond. To my right is Mr. Twardy, and to my left is Mr. McWhorter.

Mr. Smith. We welcome each of you.

Mr. Richmond. Let me make a few brief remarks, then I would be happy to take your questions.

Mr. Smith. All right.

Mr. Richmond. First of all, on behalf of all 93 U.S. Attorneys, I would like to thank you and each member of this committee and express our gratitude for the support you have shown us in the hearings this year and in last year's budget, and for the additional positions you provided. These positions from 1988 and 1989 brought with them added responsibilities on our part to effectively manage these positions.

ANNUALIZATION OF 1990 INCREASE

Much of what we see by way of increase in budget, in effect, $71,800,000, represents an annualization of those increased positions.

We face continuing challenges in the areas of drug prosecutions, financial institutions fraud, the implementation quickly of Project EAGLE, the intensification of our efforts against organized crime, both traditional and emerging groups, and the continued aggressive collection of debts owed to the United States.

With that, I would simply open it up for questions.

[The statement of Mr. Richmond follows:]

DEPARTMENT OF JUSTICE

STATEMENT OF JAMES G. RICHMOND
UNITED STATES ATTORNEY NORTHERN DISTRICT OF INDIANA BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before you in support of the United States Attorneys. Accompanying me are: Stanley Twardy, United States Attorney for the District of Connecticut, and; Laurence McWhorter, Director, Executive Office for United States Attorneys.

The United States Attorneys, who are the principal litigators on behalf of the United States Government, are requesting a total of $628,095,000, 8,147 permanent positions (including 3,753 Assistant United States Attorneys) and 7,854 workyears for 1991. This will: (1) Permit drug prosecutions to increase in accordance with the staffing levels provided by the Violent Crime Initiative of 1989; (2) Continue resources devoted exclusively to prosecution of financial institution fraud; (3) Allow transfer of funding for intensified prosecution of organized crime; (4) Facilitate rapid movement towards an integrated office automation approach (Project EAGLE) and; (5) Further enable an aggressive debt collection activity in the Department of Justice. In addition, the United States Attorneys will be reimbursed $66,182,000 for 956 positions (522 Assistant United States Attorneys) and 800 workyears associated with the Organized Crime Drug Enforcement Task Forces.

The $628,095,000 request represents an increase of $109,231,000 over the 1990 enacted level, (which was reduced by $6,697,000 for sequestration). The majority of the increase, or $71,800,000, is for annualization (full year costs) of the 1,600 positions permitted by the Violent Crime Initiative this year. While this increase may seem high, the cost of a new Assistant United States Attorney and support "pairing" has increased by 20 percent. This is primarily a reflection of increased salary and benefits costs, as well as prorated costs for renovation and construction associated with housing the new employees and the costs of changing technology.

In 1989 and 1990, the United States Attorneys have been extremely fortunate in the allocation of additional prosecutorial resources. Thus, we were fairly able to absorb rising costs for personnel and benefits and certain unanticipated space related and litigation costs by offsetting the increase. However, 1991 will see the United States Attorneys at a level of almost 9,000 employees (including the Organized Crime Drug Enforcement Task Forces), representing a dramatic increase of almost 50 percent in staff during a two year period, and that increase has caught up with us. The 1991 request thus seeks to sustain the attained level of staffing.

Of the 1,600 violent crime positions approved in 1990, 1,375 can be annualized in accordance with our 1991 request. The remaining 225 positions are vacant in both 1990 and 1991 to absorb the sequestration reduction and other cost increases.

Role of the United States Attorneys

Within each of the 94 Federal districts in the 50 States, Guam, the Northern Mariana Islands, Puerto Rico and the Virgin Islands, the United States Attorney is the chief law enforcement representative of the Attorney General, enforcing Federal criminal law and handling most of the civil litigation in which the United States is involved. It is our mission to prosecute those who mock our nation's criminal laws, to protect the public from those who would further their private interests at the expense of the general welfare, to protect the legitimate powers of the Federal Government from those who would usurp such powers, and to assert affirmatively, through the courts, those national policies established by Congress, the Administration and the Attorney General.

We function as an integral part of the Federal justice system, which must be viewed in total. Our efforts are in concert with those of the investigative agencies, the courts and the rest of the executive branch of government. Any particular emphasis or increased resources in any one area creates a ripple effect, affecting all areas, in the Federal justice system.

Drug Prosecutions

In 1989 and 1990, the United States Attorneys have received major increases, and thus have been able to devote extensive resources to identify, investigate and prosecute controlled substance violators. While all districts received additional resources, in 1990 - those designated high intensity areas received larger increases with specifically targeted positions. Increased resources in 1989 have already led to greater criminal filings. Overall, while new Assistant United States Attorneys weren't even aboard for the full year, criminal case filings for the U.S. Attorneys still increased by 2,808 in 1989, an eight percent gain. Drug related filings accounted for 66 percent of that increase. It is anticipated in 1991 that overall case filings will again increase dramatically, by 12 percent or more, because of the resources added in 1990.

Financial Institution Fraud

Thirty-six districts were allocated additional resources resulting from the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). As of February 15, 1990, 53 of 118 FIRREA Assistant United States Attorneys were on-board, and thirty more are scheduled to enter-on-duty through April. The United States Attorneys are intensifying efforts in major fraud, money laundering and insider abuse cases affecting financial institutions. Based on General Accounting Office estimates, fraud played a key role in the collapse of 80 percent of failed savings and loans.

Again, it is clear that over a two to three year period case filings will increase dramatically consonant with the intensified efforts, and result in greater integrity of the nation's financial markets.

Organized Crime Strike Forces

In December 1989, the Organized Crime Strike Forces were integrated into twenty-two United States Attorneys districts. This transition has moved quickly and smoothly. The integrity of the Strike Force operation has been ensured through the creation of distinct Strike Force units in the United States Attorneys' offices. Further, the United States Attorneys have staffed these organized crime positions at 100 percent.

Ultimately, the streamlined procedures with which the Strike Force units will investigate and prosecute cases under the direction of the United States Attorneys will improve the efficiency and effectiveness of the operations. These Strike Forces will expand investigations beyond the notion of "traditional organized crime families" to more recently formed entities, such as motorcycle gangs, Asian crime operations, and

		Perm. Pos.	Work-years	Amount
13.	Employee data and payroll services	...	...	$94
	Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems, maintenance and payroll accounting, are based on the number of employee records maintained. The rate of $188.23 per record in 1990 will be raised to $199.52 per record for 1991. The change is based on anticipated mandatory cost increases of 6 percent for the operation of the Justice Employee Data Service. An increase of $94,000 will be required in 1991.			
14.	Project EAGLE Maintenance	...	...	400
	As part of Project EAGLE the Tax and Criminal Divisions and the U.S. Attorneys will be required to provide maintenance costs from their operating budgets after the government assumes ownership of the workstations and other equipment. Based on the 1989 procurement of this equipment, the U.S. Attorneys will require $400,000.			
	Total mandatory increases	...	**812**	**103,694**
Decreases:				
1.	Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	...	-66
	This decrease reflects the billing provided by the Department of Labor for the actual costs in 1989 of employees' accident compensation. The 1991 amount will be $797,000 or $66,000 less than the 1990 base.			
2.	Federal Telecommunications System (FTS)	...	...	-1,841
	In 1991, the General Services Administration (GSA) is to have the FTS 2000 system fully implemented. At present GSA projections indicate costs for current FTS minute usage charges will decrease from 34 cents per minute to 18 cents per minute. The requested reduction of $1,841,000 reflects this decrease.			
	Total decreases	...	...	-1,907
	Total, adjustments to base	**186**	**982**	**115,387**

United States Attorney

Salaries and expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	1989 Estimate Position & Workyears	1989 Estimate Amount	1990 Estimate Position & Workyears	1990 Estimate Amount	1991 Estimate Position & Workyears	1991 Estimate Amount	Increase/Decrease Position & Workyears	Increase/Decrease Amount
ES-6, $83,600	1		1		1		...	
ES-4, $79,200	3		3		3		...	
ES-3, $77,600	1		1		1		...	
ES-2, $74,400	1		1		1		...	
GS/GM-15, $59,216-76,982	21		21		21		...	
GS/GM-14, $50,342-65,444	29		30		30		...	
GS/GM-13, $42,601-55,381	74		82		82		...	
GS-12, $35,825-46,571	95		110		110		...	
GS-11, $29,891-38,855	191		216		221		5	
GS-10, $27,206-35,363	16		16		16		...	
GS-9, $24,705-32,121	281		475		478		3	
GS-8, $22,367-29,081	240		227		234		7	
GS-7, $20,196-26,252	969		948		973		25	
GS-6, $18,174-23,628	555		1,076		1,094		18	
GS-5, $16,305-21,201	809		702		708		6	
GS-4, $14,573-18,947	262		253		253		...	
GS-3, $12,982-16,879	56		57		57		...	
GS-2, $11,897-14,973	4		4		4		...	
Ungraded positions	3,122		3,738		3,860		122	
Total, appropriated positions	6,730	$281,717	7,961	$336,833	8,147	359,214	186	22,381
Pay above stated annual rates	...	...	...	...	...	1,070	...	1,070
Lapses	-1,010	-44,660	-1,409	-74,057	-613	-24,797	796	49,260
Savings due to lower pay scales for part of year	...	-2,369	...	-2,575	...	...	...	2,575
Net full-time permanent	5,720	234,688	6,552	260,201	7,534	335,487	982	75,286

Grades and salary ranges	1989 Estimate		1990 Estimate		1991 Estimate		Increase/Decrease	
	Position & Workyears	Amount	Position & Workyears	Amount	Position & Workyears	Amount	Position & Workyears	Amount
Other than permanent:								
Part-time permenant	38	1,447	32	1,394	32	1,438	...	44
Temporary employment	330	13,256	245	12,766	245	13,165	...	399
Other part-time and intermittent employment	65	4,045	43	3,895	43	4,017	...	122
Other personnel compensation:								
Overtime	34	1,601	30	1,522	30	1,583	...	61
Administratively uncontrollable overtime	1	57	1	58	1	59	...	1
Other compensation	...	1,234	...	1,169	...	1,583	...	414
Special personal services payments	...	2,345	...	2,566	...	2,901	...	335
Total, workyears and personnel compensation	6,188	258,673	6,903	283,571	7,885	360,233	982	76,662
Average ES Salary	...	($ 76,100)	...	($ 78,867)	...	($ 78,867)		
Average GS/GM Salary	...	($ 21,817)	...	($ 26,490)	...	($ 27,442)		
Average Salary of Ungraded	...	($ 61,217)	...	($ 60,099)	...	($ 62,503)		
Average GS/GM Grade	...	6.95	...	6.99	...	7.03		

United States Attorney

Salaries and expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class		1989 Estimate Workyears	1989 Estimate Amount	1990 Estimate Workyears	1990 Estimate Amount	1991 Estimate Workyears	1991 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1	Full-time permanent	5,720	$234,688	6,552	$260,201	7,534	$335,487	982	$ 75,286
11.3	Other than full-time permanent	433	18,748	320	18,055	320	18,620	...	565
11.5	Other personnel compensation	35	2,892	31	2,749	31	3,225	...	476
11.8	Special personal services payments	...	2,345	...	2,566	...	2,901	...	335
	Total, workyears and personnel compensation	6,188	258,673	6,903	283,571	7,885	360,233	982	76,662
12	Personnel benefits		47,321		56,093		81,671		25,578
13	Benefits for former Personnel		235		235		238		3
21	Travel and transportation of persons		11,161		12,830		15,925		3,095
22	Transportation of things		1,471		1,542		1,796		254
23.1	GSA rent		38,902		39,935		46,443		6,508
23.2	Rental payments to others		1,051		1,112		1,112		...
23.3	Communications, utilities and miscellaneous charges		22,062		22,308		22,567		259
24	Printing and reproduction		2,438		2,786		3,482		696
25	Other services		48,471		69,364		74,013		4,649
26	Supplies and materials		5,338		5,341		6,085		744
31	Equipment		21,239		24,747		14,530		-10,217
	Total obligations		458,362		519,864		628,095	982	108,231
Unobligated balance, start-of-year			...		-1,000		...		
Unobligated balance, end-of-year			1,000		...		...		
Unobligated balance lapsing			850		...		...		
Total requirements			460,212		518,864		628,095		
Relation of obligations to outlays:									
Obligated balance, start-of-year			58,588		82,547		72,289		
Obligated balance, end-of-year			-82,547		-72,289		-93,443		
Adjustments in expired accounts			77		...		...		
Outlays			434,480		530,122		606,941		

NOTE: The difference in object class distribution from the President's Appendix represents a realignment of estimates to more accurately reflect personnel, equipment, communications, and other services activities planned for 1990 and 1991.

the violent Jamaican posses. In 1990, the Criminal Division will reimburse the United States Attorneys $9.6 million for the Strike Force efforts. It is proposed that 186 positions and $13.6 million be transferred for the full year in 1991.

Project EAGLE

The United States Attorneys have begun to acquire and use multiple function office automation equipment under Project EAGLE. This acquisition is undertaken in conjunction with the Tax and Criminal Divisions of the Department. Project EAGLE has been installed in the Eastern District of Pennsylvania and a good part of the Executive Office for United States Attorneys. However, the schedule calls for implementation in a total of 53 districts by the end of 1990. All of the remaining districts are scheduled for implementation in 1991. Existing word processing equipment will be replaced, and Project EAGLE equipment will be used for word processing, electronic mail, automated legal research, electronic phone messaging and calendar, and data base management. Eventually, each employee shall have a personal computer in the EAGLE network. The 1991 request includes annualization costs for the 25 EAGLE positions provided in 1990.

Debt Collection Activity

A $5,000,000 debt collection fund was provided this year for enhancement of debt collection activity in the Department. During 1989, the efforts of the United States Attorneys resulted in the recovery of $768,000,000 in cash and property, excluding forfeitures. This represents a 26.5 percent increase from the 1988 figure of approximately $607,000,000. The debt collection fund will further the Department's goal to increase revenues to the Treasury and the Victims of Crime fund by intensifying efforts to extract monies owed from non-paying debtors. The money will be used for training, locating debtors and their property, and paying costs to sell property not covered by sale proceeds. The Financial Litigation Staff in the Executive Office for United States Attorneys has contacted eligible Department components, advising them of the funds availability and instructing them regarding formulation of requests and guidelines for use of the funds. It is anticipated, that a panel representing all eligible components will participate in the allocation process, and that will occur in late March.

SUMMARY

That summarizes the major efforts addressed by our 1991 request. The United States Attorneys are committed to prosecuting those individuals and entities who mock our nation's laws, protect the public and return a feeling of safety to our streets. Ensured by virtue of substantial prosecutorial resource increases in 1989 and 1990, we are now better staffed to meet this challenge. For 1991, we ask only that our request to maintain that staffing level is approved.

I appreciate this opportunity to present the United States Attorneys' budget request to the Subcommittee, and we are happy to answer any questions.

1990 AND 1991 SEQUESTERS

Mr. SMITH. Now, you had a sequester.

Mr. RICHMOND. That's correct.

Mr. SMITH. It's $6.9 million, is that right?

Mr. RICHMOND. $6.7 million.

Mr. SMITH. $6.7 million. It appears that this resulted in a reduction both in your 1990 and your 1991 budgets. How does that happen?

Mr. MCWHORTER. I believe the sequester for this year, fiscal year 1990, is going to be continued in fiscal year 1991 as a $6.1 million sequester, or a $6.1 million decrease in the budget request.

Mr. SMITH. In other words, because you had to take the reduction this year, your base for 1991 is reduced. Is that it?

Mr. MCWHORTER. The reduction is going to be continued, yes, sir.

Mr. SMITH. That means you have a double sequester, is that correct?

Mr. MCWHORTER. It seems that way.

Mr. SMITH. Well, with a sequester quite often what happens is an adjustments taken for that year out of travel or another category to meet the sequester. But in this case they're saying it's a permanent adjustment from your base. That's the way it came out.

Mr. MCWHORTER. I think that's how it came out, yes, sir.

Mr. SMITH. Well, I noticed there are some items that were increased. When we were working on the FY 1989 budget, we got $30 million more for U.S. Attorneys. Then of course we did get more because you needed it in 1990.

Now, generally speaking, what is proposed is level funding for 1991, and it seems to me that it doesn't quite come out as level funding, it really comes out on the net as a kind of a reduction, doesn't it, in your program activities?

Mr. MCWHORTER. I think it basically means that the 225 workyears that we are not able to staff this year, we are not going to be able to staff the next year either.

IMPACT OF SEQUESTER

Mr. SMITH. Well, to handle a sequester this year, what did you reduce?

Mr. TWARDY. Two things primarily: We didn't fill the 225 positions, and we delayed the active duty days of some of the new positions that were allocated under the act.

Mr. SMITH. So that means that then you carried over a reduction of 225 positions.

Mr. TWARDY. That's correct.

POSITION LAPSE

Mr. SMITH. And how do you delay the active duty dates to successive years?

Mr. TWARDY. The active duty date won't be affected by next year's sequester. In other words, the people who are hired this year will be on board next year as of October 1, 1990.

Mr. SMITH. Well, then how do you handle a delay in the dates for somebody that is already hired for this year, even if it's for one week?

Mr. McWhorter. They will not be hired this year.

Mr. Smith. In addition to the 225 workyears, there are other slots that are not being filled?

Mr. McWhorter. That is correct.

Mr. Smith. All right. How many more slots are not being filled?

Mr. Richmond. Well, the 225 represents 160 Assistant U.S. Attorney positions, and the balance will be support. So out of the roughly 800 workyears we got last year, we are going to fill 640 of them, if my mathematics are correct.

Mr. Smith. So that is——

Mr. Richmond. Delaying the entry on duty of these people this year until at least July 1, which is not really that big a delay because of the background investigations required.

Mr. Smith. Well, I know when you put somebody on, you can't delay them again next year, you have to have reductions in filling slots.

Mr. Twardy. But with the budget that is proposed, Mr. Chairman, that won't have to happen. When they get on board, it would be effective for the last quarter of the fiscal year, which starts July 1. They will still be on board on October 1 of 1990, which is the beginning of the fiscal year 1991. So that what we have had to do this year will carry over to next year, the decrease of 225 workyears, which means 225 of the 1,600 violent crime initiative positions will remain vacant for all of 1991.

Mr. Richmond. What we are asking for in the increase, $71,800,000 of it represents annualization of the cost of those people that we are going to bring on this year. So in the 1991 budget, that matter will be——

STAFFING LEVEL REDUCTION

Mr. Smith. Are you saying that on the net, your reduction below the staffing level we had planned for 1990 is 225 in 1991, or is it some additional?

Mr. Richmond. No, it's 225. Of that, 160 are Assistant U.S. Attorneys and the balance is support positions.

SPACE NEEDS

Mr. Smith. Then the additional money comes out of space, furniture, and equipment. But when you have an increase that we thought you had justified last year for 1990. I mean if you have more people, you're going to have to have more space, equipment, and so on and so forth.

Mr. Richmond. Space is one of the biggest problems we are going to face, but we are going to face the space and equipment problem continually down the road for 1991 and 1992 and probably in 1993.

Mr. Smith. Did we give you too much space and equipment for 1990?

Mr. McWhorter. No, sir, we are trying to buy as much equipment, do as much renovation to existing space, and acquire new space this year, so that we will be able to pay for all of the employees that we have on duty to start next fiscal year.

Mr. SMITH. So the net effect of it is that in 1991, you are going to have 225 less people plus less space and equipment than we had planned for 1990?

Mr. RICHMOND. That is correct.

Mr. TWARDY. With the acquisition of these positions, the lead time we're talking about with space, from the time we start to talk to GSA, is about 18 months until we have the space. Now, if you add the incremental increases that we had in positions in 1988, together with the 1989 positions, we have been fortunate enough to have almost a 50 percent increase in the last two years.

Now, that means that we are going to spend—almost every office in the country is going to have to be enlarged. Not only do you have the 18-month lead time, you've got the buildout time, you've got the new phone systems. So in other words, we're going to be addressing——

1990 SPACE AND EQUIPMENT NEEDS

Mr. SMITH. Well, didn't they ask us for more space and equipment for 1990 than they could use?

Mr. MCWHORTER. No, sir. No, you see, in 1990 we will be taking on a number of the people in 1990. So the money that is spent for space and equipment in 1990——

Mr. SMITH. They knew that when they asked for the space and equipment in 1990, didn't they? Well, then did they ask for more than they could use?

Mr. TWARDY. I don't believe so, because we're going to need it for those who we are able to get on board.

Mr. MCWHORTER. The 225 positions that we are not able to fill this year is because we don't have the money to pay their salaries, and we don't have the money because we are absorbing $11.1 million in the pay increase that went into effect in January and the $6.7 million sequester.

Mr. SMITH. Well, it seems to me that in the net you're going to end up in 1991 with less than we had programmed for you in 1990.

Mr. MCWHORTER. That's correct.

Mr. SMITH. So you are losing a whole year plus 225 positions.

Mr. MCWHORTER. That's correct.

FILLING NEW POSITIONS

Mr. SMITH. Have you had any difficulty in filling these slots?

Mr. RICHMOND. Not at all. This is still a buyer's market for Assistant U.S. Attorneys.

Mr. SMITH. And supporting personnel too?

Mr. RICHMOND. Well, support personnel, it varies, you know, you're faced with the metropolitan problems that you are always faced with in the major metropolitan districts. The grade structure, et cetera, is not really competitive with the private enterprise side of the business. So you constantly have that problem in the major metropolitan areas.

But as far as hiring attorneys, we are going to continue to hire the same high-quality people we have always hired.

LENGTH OF HIRING PROCESS

Mr. Smith. How long does it take from the time you know you have a slot until you really get somebody sitting at the desk?

Mr. Richmond. It is a function of how fast you can run through the interview process coupled with the background investigation done by the FBI.

Mr. Smith. That is my question.

Mr. Richmond. I would say an average of four, three to five months, in that range, from start to finish. Granted there are specific cases where you can elect to waive the background, but we aren't doing that in these situations.

Mr. Smith. Well, you had an increase or two?

Mr. Richmond. Yes, sir.

Mr. Smith. From your experience, is there a way to speed it up and still not lose somebody you want?

Mr. Richmond. In terms of the way we deal with the problem, meaning the U.S. Attorney's office and the executive office, no, I don't think so. It's a function really of how long it takes to do the background, and those vary from case to case and individual to individual.

Mr. Smith. So the FBI does that, and you just have to wait until they get it done?

Mr. Richmond. If you elect to hire people, for example, who have spent substantial periods of time outside the United States, that is going to increase the period of time that it takes.

Mr. McWhorter. Mr. Chairman, we can waive the background investigation and put people on board before that is completed, and we often do and assign them other work. So the background investigation is not necessarily the cause for delaying employment.

Each U.S. Attorney is given a certain budget, and to the extent that he has salary money to pay the lawyers, they can basically fill them right away. This year———

Mr. Smith. There is plenty of work that doesn't require a background investigation isn't there?

Mr. McWhorter. There is plenty of work. This year we have the additional problem of acquiring new space or renovating the old space, finding a place to put these people. And that is the cause of some of the delay. Some U.S. Attorneys don't want to hire an Assistant U.S. Attorney and stick them in the closet or the library, although a lot of them do because there is a lot of work out there.

HIRING DELAYS

Mr. Smith. Did you have something you wanted to add?

Mr. Twardy. I just wanted to say with regard to the delay, often for an attorney leaving private practice—and I think most U.S. Attorneys hire people with at least some legal experience, if not experience as prosecutors, from private practice. The delay is the time period that they need to give notice to their employers or to take a vacation before they start.

I have had situations where we have known we could get somebody on quickly and they would want two to three months anyway.

With regard to the new positions that Congress gave us for this year, this fiscal year, I think most U.S. Attorneys were ready as soon as the allocations came out. We were notified of them a few weeks ago. We made offers then and there, and when I got my allocation, by that afternoon I had filled five of the six new positions we had gotten in Connecticut. Frankly, I am just holding back on the sixth myself to see if there is a Supreme Court law clerk or someone like that who might come down the road in the next few months.

BACKGROUND TURN DOWNS

Mr. SMITH. Are there very many getting turned down?

Mr. TWARDY. Oh, yes.

Mr. SMITH. No, I mean that you want.

Mr. TWARDY. Oh. Oh, I'm sorry.

Mr. SMITH. That have gone through the investigations and so forth?

Mr. TWARDY. Oh, no. Not after the investigations. I think in my office, and I think most U.S. Attorneys offices are like this, the screening process is relatively severe, that there are interviews with supervisory assistants, with line assistants, and you make phone calls to references and the like. You can find out pretty quickly those who——

Mr. SMITH. So what you're saying is if you had waived, you would end up with essentially the same number of people.

Mr. TWARDY. That's correct.

But as Mr. McWhorter says, you're a little bit reluctant, without that final imprimatur, to put somebody in the middle of an intensive drug type of case.

Mr. SMITH. Yes.

Mr. Early.

LEVEL BUDGET REQUEST

Mr. EARLY. Thank you, Mr. Chairman.

I have listened to the testimony. You know, we have had these big increases because of all the horror stories that were coming out of the U.S. Attorney's office about attorneys being underpaid, which I think they still are; about how you weren't prosecuting some drug cases because you were understaffed; about how you weren't prosecuting some embezzlements, sometimes you weren't going in until the amount involved was over $100,000. Those were the worst stories.

But I've listened, Mr. Smith, and I want to pursue that because I've concluded that there really isn't enough money in this budget to fund the positions and the work-years that you show.

Let me ask you a specific question. The 1991 budget request does not propose any new positions or additional work-years over the 1991 base. Is that accurate?

Mr. RICHMOND. Yes, sir.

Mr. EARLY. The increase for the U.S. Attorneys covers just the mandatories, the annualization for the 1990 increases and reflects the transfer of the strike forces to the U.S. Attorney's office, doesn't it?

Mr. RICHMOND. That's correct.

Mr. MCWHORTER. That's correct.

ORGANIZED CRIME DRUG ENFORCEMENT POSITION INCREASE

Mr. **Early**. I mean, we have a rhetorical attack on crime. We are talking about it, but we're not doing anything about it.

Mr. **Richmond**. Well, to assimilate, train, and activate a 50-percent increase in resources takes a substantial period of time to do it and maintain the quality of the people. In addition to that, there is a request in 1991 for an increase of——

Mr. **McWhorter**. 297 positions.

Mr. **Richmond** [continuing]. 297 positions for the Organized Crime Drug Enforcement Task Force program.

Mr. **Early**. Well, you take them away from somewhere else to get——

Mr. **Richmond**. These are new positions. Those are new positions.

1990 PAY ABSORPTION

Mr. **Early**. But the money to fund them, we don't have a dime over the 1991 base.

How much did the 1990 pay raise cost the U.S. Attorney's office?

Mr. **McWhorter**. $11.1 million.

Mr. **Early**. And how much of that had to be absorbed?

Mr. **McWhorter**. $11.1 million in 1990. In 1991, this pay raise is in the request.

[Laughter.]

[The information follows:]

Pay Raise Costs

In 1990, the U.S. Attorneys absortion costs totalled $11.1 million for the 1990 pay raise for 75 percent of the year. This amount reflects the cost of the 3.6 percent pay increase for general schedule employees, the Senior Executive Service and Executive Level pay raises for the U.S. Attorneys and Assistant U.S. Attorneys. The 1991 request includes $13.2 million to cover the full-year cost of the 1990 general schedule pay raise only.

In addition, the 1991 request includes $4.8 million for the 3.5 percent general schedule pay raise proposed by the Administration for 1991. This amount represents a 50-percent absorption for 75 percent of the year.

1990 SEQUESTER

Mr. **Early**. Of the $6.69 million sequestered in 1990, how much had to be absorbed?

Mr. **McWhorter**. All of it.

Mr. **Early**. All of it? And, that was money we didn't give you.

Mr. Richmond, I am really impressed with your background. I read your bio; it says that you were an IRS agent.

Mr. **Richmond**. That's correct.

Mr. **Early**. And an FBI agent. And now you are an——

Mr. **Richmond**. An Assistant U.S. Attorney and now the U.S. Attorney.

Mr. **Early**. Personally I think you catch more criminals, especially in the drug field, with a pencil than with a Texas Ranger.

[Laughter.]

FINANCIAL INVESTIGATORS

Mr. **Early**. It's crazy what we're not doing. I think the U.S. Attorney's office could generate more money from drug cases in Miami if you had the war declared with accountants and people with that type of background.

Mr. **Richmond**. Well, there is no question that the IRS and their agents are an integral part of this program. They certainly have special investigative skills that they bring to the war on drugs that are valuable, particularly in the area of historical investigations. We are going to take help from wherever we can get it.

Mr. **Early**. Well, we are going to get back to that. But, you are not here to defend a budget, which I think is sort of a little fib. For the record, I want you to tell me how many positions were not filled in 1990. I also want you to tell us what the acquisition of equipment and space was that was deferred. And I want to know if there were any costs associated with the transfer of the organized crime task force from the Criminal Division to the U.S. Attorney's office that had to be absorbed? You say they were all absorbed; right?

Mr. **Richmond**. Correct.

Mr. **McWhorter**. No, we did not absorb the costs of the organized crime merger, however, we added about 46 positions to that.

[The information follows:]

1990 Unfilled Positions

Of the 7,961 positions authorized in 1990, 160 Assistant United States Attorney positions and 65 support will not be filled, a total of 225 positions.

FINANCIAL INVESTIGATIONS

Mr. **Early**. There was a four-day series in a Miami paper about the money-laundering going on and how much money the drug traffickers had. It actually estimated it from billions to maybe a trillion dollars. You know, it's so seldom that reporters are right. I mean when they're right we should put it on the record and say it.

[Laughter.]

Mr. **Early**. Wouldn't you do a lot with more accountants and similar kinds of personnel?

Mr. **Richmond**. Well, there are numerous tools that we have to attack the problem. Historically, when you get into financial investigations, with financial investigators, if that's what you want to call the accountants, it is very valuable to you. In tracing the laundering of funds, the financial investigator is of extreme importance.

That is opposed to the proactive approach of dealing with ongoing, day-to-day criminal enterprise operations which lend themselves more readily to the traditional investigative techniques of the Drug Enforcement Administration and the Federal Bureau of Investigation.

But there is no question, I think, and it's not just in the area of the war on drugs, in the area of white-collar crime and public corruption, there is a shortage of accountants. We see it day to day as U.S. Attorneys, we hear about it. Those are precious resources to us.

FINANCIAL INSTITUTION FRAUD

Mr. Early. We had the Attorney General testify this morning, Mr. Richmond, and the question was raised by the committee that the Savings and Loans' are going to cost us $350 billion to $500 billion. If we had given you double this budget and put it all into that two years ago, you would have saved enormous sums of money because you would have detected the problems early and you would have prevented an awful lot of the fraud. That is what he acknowledged.

Mr. Richmond. Well, he is correct. We talked last year, when I was up here, about the S&L situation and what we thought we could recover from that program. It is clear that these crimes are of such magnitude and of such a nature and the funds have been so dissipated that I don't know that you are ever going to be able to quantify the actual recovery in dollars.

Mr. Early. No. But the taxpayers, everyone, wants to say "less Government, less Government." And in law enforcement, there should be a lot more Government because from the economic side it would save us money.

Your offices are underfunded, and you come in and defend a budget that doesn't give you the tools to do the job, never mind getting into the issue of what the U.S. Attorneys could leave and make in the private sector.

Mr. Richmond. Speaking as an individual who has been employed by the Department of Justice three different times in his life, it's kind of hard to leave.

[Laughter.]

Mr. Early. Some of us get on that and talk about leaving.

[Laughter.]

PROJECT EAGLE

Mr. Early. How about project EAGLE? Now, if we approve the $6 million requested, and the chairman usually approves the money for automation, will every attorney and assistant attorney in your office have a computer?

Mr. Twardy. It's projected in fiscal year 1990, the year that we are currently in, 53 of the 93 U.S. Attorney offices will be outfitted with the EAGLE.

Mr. Early. So the answer is "No"?

Mr. Twardy. Well, the money for 1991, which is the budget we are talking about, would hopefully cover that.

Mr. Early. Now, wait a minute. Wait a minute, Mr. Twardy. It covers 53 of the 93 offices. That means 40 don't have it; right?

Mr. Twardy. Forty won't have it in 1991.

Mr. Early. Okay.

Mr. Twardy. Okay, at the end of this year there are 40 offices who will not have EAGLE computers. There is more money in the fiscal year 1991 budget—I think $23 million is what the Department asks for—that hopefully will cover the remaining 40 offices.

Mr. Early. In this budget?

Mr. Twardy. In this budget. Yes.

Mr. McWhorter. For 1991. During 1991.

Mr. Twardy. That's right. So it's our hope—the big problem we are having is getting the space. Offices are expanding. We are looking, for example, in New Haven, to move into different office space. For us to go ahead and get EAGLE with all the computer line hookups and the like put in, cables and the like, would not be cost efficient because when we moved in the next year or so, it would all have to be moved again. That is one of the largest expenses with EAGLE, the cabling of it.

SPACE AND FACILITIES

Mr. Early. Again, if I could refer to one of your responses to the chairman, you say move from space to space. You don't even have space in the U.S. Attorney's office for all your people now, basically.

Mr. Twardy. That's correct.

Mr. Early. So we're not moving from space, we are finally going to give some people space.

Mr. Twardy. That's correct.

PROJECT EAGLE EFFECTIVENESS

Mr. Early. What is your personal impression of the EAGLE system?

Mr. Twardy. Well, I think it's wonderful. For example, in Connecticut we have three different offices. Our main office is in New Haven and we have offices in Hartford and Bridgeport. EAGLE will enable us to communicate among the various offices, which will save us a lot of time for the attorneys traveling back and forth, filing the documents, and the ability to hook up with the JURIS, LEXUS and WESLAW legal research systems. To enable attorneys to do research at their desks, I think, will be of invaluable assistance.

I think one of the ways you can look at it, the whole concept of the personal computers and EAGLE is reflected in the 3,100 new positions that the U.S. Attorneys offices have gotten over the last two years, 1,700 of those have gone to fill Assistant U.S. Attorneys, positions, which is about 55 percent, if my math is correct, of the new positions. In the past, we had only 2,700 out of 6,000 positions that were attorney positions, or 45 percent.

So you can see by the advent of the computer world and getting us up to the 20th century, we are able to be attorney-intensive.

Mr. Early. Oh, I would take one computer to ten lawyers any day.

[Laughter.]

Mr. Smith. Don't go that far now.

[Laughter.]

Mr. Early. Mr. Twardy, you have an interesting resume, too. Mr. Richmond, you were with the IRS. And you spent some time with Senator Weicker. I mean that is extra——

[Laughter.]

Mr. Richmond. Extra-hazardous duty.

[Laughter.]

STRIKE FORCE—ATTORNEY PAY ADJUSTMENTS

Mr. **Early**. I understand some of the strike force attorneys were allowed favorable pay adjustments upon transfers to the U.S. Attorney's office. How much did those adjustments cost in 1990, and who covered it?

Mr. **McWhorter**. They came out of the U.S. Attorney's budget, and I am not sure. It was an average of about $8,000 per year pay increase for the strike force lawyers.

Mr. **Early**. And was that compensation offered to the regular U.S. Attorneys that were there before they transferred back?

Mr. **McWhorter**. It made them comparable to the assistants who were already there, and it cost the U.S. Attorney's appropriation.

Mr. **Early**. And did any of that cost have to be absorbed?

Mr. **McWhorter**. Yes, sir.

Mr. **Early**. How much?

Mr. **McWhorter**. All of it.

Mr. **Early**. For the record, give us the annualization costs for those adjustments in 1991 and the total annualization costs in the 1991 request.

[The information follows:]

STRIKE FORCE PAY ABSORPTIONS

The total cost in 1990 of the Organized Crime and Racketeering Strike Force attorney pay adjustments is approximately $825,000, of which $660,000 is for salaries and $165,000 is for benefits. In 1991, the annualized costs of the 1990 pay adjustments will total $1,063,000, of which $850,000 will go toward direct salaries and $213,000 for benefits. The U.S. Attorneys will absorb the entire cost of this adjustment in both 1990 and 1991. In the 1991 request the proposed 3.5 percent pay raise for Strike Force personnel is included in the regular budget request.

FINANCIAL INVESTIGATORS

Mr. **Early**. Mr. Chairman, I would like to come back for additional questions.

Mr. **Smith**. Yes. Go ahead, Mr. Early.

Mr. **Early**. Thank you, Mr. Chairman.

On recruitment have you got many accountant-lawyer types? Is there any problem in recruiting? I forget what you call them. I call them accountants.

Mr. **Richmond**. Financial investigators.

Mr. **Early**. Yes.

Mr. **Richmond**. That is really not what we are looking for. What we are looking for are people who can understand what the investigators do. I mean the real financial investigation is going to be done by the IRS or by special agents with the FBI who have an accounting background. I think most assistants today that you hire, that have had any kind of private practice experience, have a facility to understand what is needed in terms of the financial and accounting background to deal with these kind of financial fraud cases.

Mr. **McWhorter**. One thing that we did in the financial fraud bill that you passed last year, we did ask for 20 financial investigators for U.S. Attorneys, and they are being hired now. The U.S. Attorneys do depend on the regular investigative agencies primarily, but we did seek and are hiring 20 of these in the major U.S. Attorneys offices.

Mr. **Early**. When you say they're being hired now, Mr. McWhorter, why aren't they hired?

Mr. **McWhorter**. Well, some of them are on-board.

Mr. **Early**. Why don't you provide for the record how many you have hired, and why they aren't all on board now?

Mr. **McWhorter**. Okay.

[The information follows:]

Financial Investigators On-Board

At the present time, we have managed to bring on-board two financial accountants and have recruitment actions under way to hire the majority of the remaining positions. Since these kinds of positions are new to the U.S. Attorneys organization, it has taken more time than previously anticipated. Once the vacancies have been announced, it often takes a couple of months to compile a list of qualified applicants, to interview these applicants, and to conduct security clearances.

MODULAR COST—NEW ASSISTANT U.S. ATTORNEYS

Mr. **Early**. What is the present average annual cost of bringing on a new Assistant U.S. Attorney?

Mr. **McWhorter**. The modular cost is about $152,000 on an annual basis for an Assistant U.S. Attorney with secretarial or paralegal support. It's about $152,000 a year.

Mr. **Early**. And how does that compare to previous years?

Mr. **McWhorter**. It has gone up recently.

Mr. **Early**. For the record, would you, tell us what the average cost will be in 1991?

[The information follows:]

CASE DECLINATIONS

Mr. **Early**. What can you tell us, Mr. Richmond, about the situations where you weren't prosecuting cocaine cases in some States unless certain amounts were involved?

Mr. **Richmond**. Well, I think, overall, we're doing better. We had, bearing in mind the lead time to get assistants from the drug bill of 1988 on-board, an 8-percent increase in criminal filings this past year. Of that, roughly two-thirds are in the area of narcotics.

We have on-board 53 of the financial fraud task force lawyers, and we anticipate we will have another 30 on board by the end of April.

PRISONER DETENTION

Mr. **Early**. I have also noticed, as has the chairman and he always brings it out, it's not just U.S. Attorneys, it's all the support personnel. The Marshals Office is underfunded.

I saw something in the paper the other day which I will bring up when the Marshals Office testifies, one marshal for ten prisoners.

In Massachusetts we have no facility, so we have to have a marshal all the way down to Danbury, where we're holding the inmate. That is a tremendous expense that really isn't productive, and we should be making changes in that.

Mr. **Twardy**. The same thing is true in Rhode Island. Rhode Island is sending their people down to Hartford and Danbury.

Mr.**Dwyer**. I was afraid you were going to say in Connecticut—— [Laughter.]

Mr. **Early**. Where does Rhode Island send them?

Mr. **Twardy**. Down to Hartford and Danbury.

Mr. **Early**. Danbury.

Mr. **Twardy**. Yes.

Mr. **Early**. All right.

Mr. Richmond, I have concerns about your statement on the first page, number 3, "Allow transfer of funding for intensified prosecution of organized crime." I think that is the suggestion for autonomy for a 2 percent transfer from Department to Department?

Mr. **Richmond**. Well, I think what we refer to is the transfer of the strike force funds to the U.S. Attorneys account.

ATTORNEY GENERAL TRANSFER AUTHORITY

Mr. **Early**. But isn't the U.S. Attorney's office filing or proposing legislation for a 2 percent transfer authority that excludes all oversight that presently exists? What are we doing?

Mr. **Roper**. My name is Mike Roper.

Yes, the Administration has requested on behalf of the Attorney General a general transfer authority of 2 percent from any appropriation. Similarly gaining appropriation could gain no more than 2 percent. But I believe there would be notification through the normal reprogramming process of the committees.

Mr. **Early**. Just notification, not approval, though?

Mr. **Roper**. Correct. It would be notification.

Mr. **Early**. Well, you know, it hasn't passed in the past, and we're not going to pass it now.

So what is the difference in your statement, then, Mr. Richmond, since you were not referring to that? What are you speaking about, a transfer of funding for intensified prosecution of organized crime?

STRIKE FORCE MERGER

Mr. RICHMOND. The increase in resources that we have as a result of the merger of the strike forces.

Mr. EARLY. That is just——

Mr. RICHMOND. This budget will now formalize that because we will now pay for those 186 positions out of our budget as Assistant U.S. Attorneys and related support people.

ATTORNEY EXIT SALARIES

Mr EARLY. Okay. Would you, Mr. McWhorter, supply for the record the last three or four people who have left your office, and what type of salaries they moved on to?

Mr. McWHORTER. Yes, sir. I would be happy to.

[The information follows:]

ATTORNEY EXIT SALARIES

Three out of the last four attorneys who left employment were able to substantially improve their annual incomes. One attorney went from an annual salary of $63,000 to become a senior associate in a private law firm with a starting salary of $85,000 and a promise that after one year he would make partner and enjoy an annual income of over $100,000. A second attorney's salary rose from $67,000 to $75,000 with the promise that after one year his salary would exeed $95,000. A third attorney's salary went from $75,000 to $85,000 with the promise that his income would exceed $100,000 after a year. The fourth attorney went into solo practice and made approximately the same income during the first year of his practice as he was making when he left the U.S. Attorneys employment.

Mr. EARLY. Thank you very much, Mr. Chairman.

STRIKE FORCE MERGER

Of the strike forces, what percentage did not transfer to the U.S. Attorneys?

Mr. RICHMOND. All but two, I think.

Mr. EARLY. Virtually all?

Mr. RICHMOND. Transferred, yes. Those were ones that had residency problems, and since they did not reside within the district to which they would be appointed as an assistant, they remained as special attorneys with the Department of Justice, assigned in the organized crime section but in fact still working in that strike force under the control of the U.S. Attorney.

Mr. EARLY. What is the long-term impact of having permitted this?

Mr. RICHMOND. The merger?

Mr. EARLY. Yes.

Mr. RICHMOND. There are several long-term effects of this, the first of which will be better, I think, supervision, more aggressive prosecution because the Criminal Division has never been able to fund those positions 100 percent. They never had the authorized complement on board. That is now the case. In fact, there are now more lawyers because of the augmentation of the organized crime section by the Attorney General last year. There are actually more lawyers involved in the organized crime fight.

The second benefit I think, we will be more responsive to the areas of emerging organized crime: the Asians, motorcycle gangs, the street gangs which——

STRIKE FORCE EFFECTIVENESS

Mr. EARLY. Why? Explain that.

Mr. RICHMOND. Because it will be more localized in terms of recognizing the regional problem in a specific area of the country, and allowing that organization, meaning the organized crime strike force, to react more quickly to it.

In addition to that, I think we are faced with a situation where because you have, on site, day-to-day management of that unit by the United States Attorney, it will be far more aggressive and far more responsive.

Mr. EARLY. Well, are you saying that as a part of this that we will be able to move more rapidly from emphasis on one kind of crime to another kind of crime?

Mr. RICHMOND. Oh, I think there will be more flexibility, but I also think that the investigations will move at a more rapid pace than they had when they were part of the Criminal Division.

RESIGNATIONS—STRIKE FORCE CHIEFS

Mr. EARLY. On the transfer, though, that was very controversial, moving the strike force to the U.S. Attorneys. Didn't about eight or ten of the chiefs of the strike forces leave?

Mr. RICHMOND. I don't believe that many. I am only familiar with one chief who left.

Mr. EARLY. Do you want to expand on that for the record? I thought I was told that a lot more had left—more than you have indicated today.

[The information follows:]

STRIKE FORCE CHIEF RESIGNATIONS

During the period January 1, 1989, through December 31, 1989, the Strike Force Chief in Detroit, Michigan, retired on disability; the chief in Boston, Massachusetts retired and is now associated with a private law firm; and the chief in Brooklyn, New York resigned and is also now associated with a private law firm.

Mr. EARLY. Thank you, Mr. Chairman.

Mr. SMITH. Okay. Thank you.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

United States Attorneys

Debt Collection

QUESTION: What is the status of your debt collection initiative?

ANSWER: We are currently soliciting requests from the United States Attorneys and the litigating divisions on the types and amounts of expenses they will seek to charge to the Debt Collection Fund. The Fund has generated a great deal of interest and we have received several requests for assistance in individual debt recovery cases. We have also solicited proposals from contractors for asset and skip-tracing services. We intend to allocate sums from the Fund to the components later this month.

QUESTION: Do you have any estimates of the amounts collected under this program above what would have been collected without the program?

ANSWER: We will not have any estimates on the increase in recoveries that the Debt Collection Fund will generate until the United States Attorneys and litigating divisions have had more time to use the Fund to support their individual programs for recovering Federal debts.

QUESTIONS SUBMITTED BY CONGRESSMAN EARLY

Organized Crime Strike Force

QUESTION: Were there any costs associated with the transfer of the Organized Crime Strike Force, from the Criminal Division to the U.S. Attorneys Office, that had to be absorbed? Or did the transfer of the $9.6 million cover the entire cost? If there were any uncovered costs, what were they and how much were they?

ANSWER: We adjusted salaries for the transferred attorneys to a level comparable to salaries earned by other attorneys in the district. In addition we have allocated an additional 26 attorneys and 18 support staff to the Strike Force effort to meet the Attorney General's commitment to staff these units at the authorized level. The funds for those positions were not transferred from the Criminal Division. We also will be paying for certain costly library publications that need to be replaced this year because West Publishing has come out with an updated edition. The total costs absorbed in 1990 will be approximately $4,000,000.

Pay Adjustments for Attorneys

QUESTION: Were any of the non-Strike Force Assistant U.S. Attorneys given a similar pay adjustment in 1990? If so,

what was the cost? What will the annualization cost be in 1991?

ANSWER: Several U.S. Attorneys offices, including some that were recipients of attorneys transferred from the Strike Forces, received one-time pay adjustments for Assistant U.S. Attorneys. For offices which received Strike Force resources, the cost to adjust other attorneys' pay on an across-the-board basis will total about $1,630,000, including pay and benefits, in 1990. In 1991, the annualization cost will be another $920,000. A significant portion of these transactions were completed prior to the transfer of the Strike Forces and were based on existing pay adjustment policy.

QUESTION: **Are you receiving, or do you anticipate receiving, more requests from the District offices for pay adjustments for the Assistant U.S. Attorneys (AUSAs)? Give us an estimate of what this additional cost could be in 1991? What would it be beyond 1991?**

ANSWER: Our policy towards attorney pay provides districts remedies to adjust pay for AUSAs that are suffering pay inequities relative to salaries earned by other AUSAs in that district. The policy applies to those AUSAs that receive outstanding or excellent ratings on their performance evaluations, if it is determined that newly-hired attorneys with similar years of experience could be paid higher salaries. Until recently, we permitted such adjustments to be effective on the same date for all eligible attorneys. Now, the policy allows for AUSAs to receive adjustments on their anniversary date only. For all districts, including Strike Force districts, the cost of across-the-board pay adjustments implemented on the same date will total $3,000,000, including pay and benefits, in 1990, with an annualization of $1,200,000 in 1991. We have no firm figure of the cost on implementing pay adjustments for highly-rated AUSAs that have received or will receive raises on their anniversary dates.

1990 Reprogramming Request

QUESTION: **What is the status of the reprogramming request, mentioned in your justification?**

ANSWER: A reprogramming request was transmitted recently to the Assistant Attorney General for Administration, Department of Justice (DOJ). Approved requests are then forwarded to the Office of Management and Budget for review and comment prior to submission to Congress.

Cost of New Assistant U.S. Attorneys

QUESTION: **What will the average annual cost of bringing a new Assistant U.S. Attorney on board be in 1991? How does that compare to previous years? What factors are contributing to the increased costs?**

ANSWER: The average annual cost of a new Assistant U.S. Attorney brought on board in 1991 will be about $106,000. This is about $19,000 more than in recent years. Of this total, $5,000 will be for increased starting salaries that are more competitive with private law firms. Another $5,000 is attributed to increased government contributions for retirement benefits, since most new hires are brought in under the Federal Employee Retirement System. About $2,600 per attorney is attributed to the new requirement that the Federal Bureau of Investigation (FBI) be reimbursed for performing background investigations. An increase of $3,500 is needed to purchase personal computers, related supplies, peripheral equipment, and software so that new Assistants can have access to the EAGLE network. EAGLE related expenses will be absorbed by the Legal Activities Office Automation Fund. The remaining increase is attributable to inflation for space, travel and transportation, communications, utilities and other miscellaneous costs.

Personnel Costs

QUESTION: What portion of your budget is personnel costs as compared to equipment, materials and space costs?

ANSWER: In 1991 the personnel costs (salary and benefits) are estimated to represent 70 percent of the United States Attorneys' appropriation, amounting to $439 million.

Litigation services, and other costs including travel, rental of equipment, printing, utilities and miscellaneous services represent 20 percent of the United States Attorneys' appropriation for 1991 amounting to $126 million. Litigation costs such as court and grand jury reporting and transcripts, depositions, compensation for experts and consultants, medical examination fees, discovery expenses, filing fees etc. represent a majority of these funds.

Space costs represent 7 percent of the United States Attorneys' appropriation amounting to $44 million. Equipment costs represent 2 percent or $13 million, and supplies and materials are 1 percent, a total of $6 million.

Vacant Authorized Positions

QUESTION: How many authorized positions will be vacant in 1991 under your 1991 request?

ANSWER: Of the 8,147 positions authorized in 1991, 160 Assistant United States Attorney positions and 65 support positions will remain vacant throughout the year.

Personnel On-Board

QUESTION: Bring us up to date on the total number of authorized positions versus the total number of personnel on board. For the record provide a detailed explanation of the number of new positions authorized by the various pieces of new legislation -- the Violent Crime Act, the Financial Institutions Reform Act and others. Then provide a breakdown of the number of personnel brought on board by the 1990 appropriation, the 1990 drug supplemental and the 1991 request.

ANSWER: The total number of authorized positions by the 1990 appropriation is 3,738 attorneys and 4,223 support. As of February 23, 1990, there were 3,125 attorneys and 3,530 support on board.

As a result of the 1990 Financial Institutions Reform Initiative 118 new attorney positions and 138 new support positions were authorized. Thirty six districts were allocated 120 new attorney positions and 140 new support positions for financial institution fraud. Funding of these Financial Institutions Fraud Act positions was limited to nine months per position and as of February 15, 1990, 53 attorneys have entered on duty. Since we do not track support positions by program category, we are unable to quantify the number of financial institution fraud support who have entered on duty.

The 1990 Violent Crime Initiative provided 800 new attorney positions and 800 non-attorney positions. As a result of sequestration, absorption of the 1990 pay increase, transfers of positions from the Organized Crime Strike Forces, and miscellaneous program needs, only 614 attorney positions and 652 non-attorney positions were available for allocation. Funding of the Violent Crime Initiative positions was limited to three months per position.

A display of the allocation of these new positions follows.

United [illegible] es Attorneys
Modular cost for New 1991 Positions

		ATTORNEY		GS-9 PARALEGAL		GS-6 CLERICAL	
		Total Cost	Nonrecurring* Cost	Total Cost	Nonrecurring* Cost	Total Cost	Nonrecurring* Cost
11.1	FTP Base Pay	$ 56,000	$ ...	$ 23,846	$ ...	$ 17,542	$ ...
11.5	Awards & Overtime	620	...	75	...	55	...
11.8	Miscellaneous	850	...	...	...	...	...
12.1	Benefits						
	Regular	15,680	...	6,438	...	4,736	...
	Relocation	1,000		...		...	
	TOTAL 12.0	16,680	...	6,438	...	4,736	...
21.0	Travel	2,670	...	750	...	750	...
22.0	Transportation	430	...	110	...	120	...
23.1	SLUC	3,520	...	2,800	...	2,900	...
23.3	Other Rents	1,290	...	1,000	...	3,110	...
24.0	Printing	750	...	600	...	320	...
25.0	Other Services	12,200	1,000	5,700	2,300	5,560	2,300
26.0	Supplies	920	...	750	...	770	...
31.0	Equipment	4,000	2,200	4,000	2,200	4,000	2,200
	PCs	3,500	3,500	3,500	3,500	3,500	3,500
	TOTAL 31.0	7,500		7,500		7,500	
	TOTAL, full-year cost	$103,430	6,700	49,569	8,000	43,363	8,000

*Identifies nonrecurring costs for FY 1990.

ALLOCATIONS OF FISCAL YEAR 90
POSITIONS
23-Feb-90
02:41 PM

District	Transfers In Strike Force Attys	Strike Force Support	Financial Institution Fraud AUSAs	Support	Systems Managers	AUSAs Violent Crime	AUSAs High Intensity Drug Areas	VC – HIDTA Total AUSAs	Total Support	ALL ROUNDS TOTAL AUSA ALLOC.	ALL ROUNDS TOTAL SUPPORT ALLOC.
ALABAMA MIDDLE					1	2		2	2	2	3
ALABAMA NORTHERN						4		4	3	4	3
ALABAMA SOUTHERN					1	3		3	2	3	3
ALASKA			1	1	1	1		1	3	2	5
ARIZONA			3	4		7	8	15	9	18	13
ARKANSAS EASTERN			2	2		0		0	0	2	2
ARKANSAS WESTERN			0	0	1	1		1	2	1	3
CALIFORNIA CENTRAL	9	5	15	10		5	15	20	28	44	43
CALIFORNIA EASTERN			1	1		8		8	4	9	5
CALIFORNIA NORTHERN	6	4	3	4		3		3	3	12	11
CALIFORNIA SOUTHERN						5	10	15	11	15	11
COLORADO			4	3		4		4	3	8	6
CONNECTICUT	2	1				6		6	4	8	5
DELAWARE					1	2		2	3	2	4
DISTRICT OF COLUMBIA						45		45	28	45	28
FLORIDA MIDDLE	2	1	3	4		6		6	4	11	9
FLORIDA NORTHERN					1	3		3	3	3	4
FLORIDA SOUTHERN	16	8	4	4		10	25	35	26	55	38
GEORGIA MIDDLE			1	1	0	1		1	2	2	3
GEORGIA NORTHERN	2	1	2	2		3		3	4	7	7
GEORGIA SOUTHERN					1	2		2	3	2	4
GUAM					1	1		1	2	1	3
HAWAII	2	1			1	5		5	4	7	6
IDAHO					1	2		2	3	2	4
ILLINOIS CENTRAL					1	3		3	6	3	7

1990 Drug Resources

QUESTION: Tell us briefly, but provide more detail for the record, how the 1990 drug supplemental was utilized.

ANSWER: The United States Attorneys were able to devote extensive resources to identify, investigate and prosecute controlled substance violators. While all districts received additional resources in 1990, those designated high intensity areas received larger increases with specifically targeted positions. We have provided for the record, a chart which details the allocation of new resources for each district.

Program Decrease

QUESTION: How was tha figure of $6.156 million arrived at as the amount of program reduction to be taken in 1991? (This is the difference between the 1991 base and the 1991 request.) What impact will this reduction to the base estimate for 1991 have on the operations of the 94 U.S. Attorneys Offices.

ANSWER: The reduction was identified by the Office of Management and Budget as the amount necessary to meet identified deficit reduction targets. Therefore, the U.S. Attorneys will leave vacant in 1991, the 225 positions that were not filled in 1990 to meet the 1990 sequester and to absorb unfunded pay needs.

Debt Collection

QUESTION: What steps are the district offices taking to "prioritize" the collection of restitution payments. How is the collection of fines and restitution now tracked and monitored? What type of automated tracking and collection system does each office have? How does the United States Attorney's office coordinate these collections with the courts and the probation offices?

ANSWER: Under the Sentencing Guidelines and the criminal code, the collection of restitution takes priority over the collection of criminal fines. The United States Attorneys enforce the collection of restitution before enforcing the collection of a fine when a debtor is unable to pay both debts in full after sentencing. The United States Attorneys also participate in the Bureau of Prison's Inmate Financial Responsibility Program and arrange for inmate restitution payments to be forwarded to the victims of crime.

Many districts track restitution on the automated case and collection tracking systems in their offices. Some districts prefer to track restitution manually.

All but one United States Attorney's office has an automated case and collection tracking system. Automated equipment will be installed in the remaining district shortly. The case and collection tracking systems in the United States Attorneys' offices have been designed to track debits and credits and to compute interest on debts owed to the United States. These systems have been partially adapted to track restitution to victims other than the United States.

The courts are in the process of developing a National Finance Payment Center which they are planning to implement on a pilot basis this summer. They have advised us that the new automated system will be capable of tracking restitution. The proposed National Fine Payment Center will allow us to coordinate much more closely with the courts on the collection of restitution.

Many probation offices no longer participate in the collection of restitution as they perceive this to be the responsibility of the United States Attorneys. We continue to work with the courts and probation at both the local and national levels to achieve a better coordinated enforcement effort.

A Department of Justice/Federal Judiciary Task Force has been established to address enforcement issues. United States Attorneys, probation, the Judiciary, the Executive Office for United States Attorneys and the Administrative Office of the United States Courts are represented on this task force. In addition, the first joint training conference for United States Attorney personnel and probation officers will be held in May 1989 in the Eastern District of Pennsylvania. We plan to conduct additional training of this type in the future.

QUESTIONS SUBMITTED BY CONGRESSMAN DWYER

United States Attorneys

Sequestration Impact

QUESTION: **Given the $6.697 million sequestration and the added costs of the 1990 pay raise, what increases did the district offices actually receive in 1990?**

ANSWER: In 1990, 800 attorney and 800 support positions were requested and provided by the Congress for the Violent Crime initiative. Additionally, 118 attorney, 118 support, and 20 auditor positions were authorized for the Financial Institution Fraud Initiative. As a result of sequestration and the absorption of the 1990 pay raise, attorney and support position levels were reduced by 160 attorney positions and 65 support positions. Furthermore, an additional 26 attorney positions and 18 support positions were not allocated to account for staffing variances due to the merger of the Organized Crime Strike Forces into the U.S. Attorneys' Offices. As of March 13, 1990, offices have been allocated 120 Financial Institution Fraud attorney positions and 140 support positions (which were funded for three quarters of the fiscal year) and 552 Violent Crime attorney positions and 479 support positions (which were funded for one quarter of the fiscal year).

New Position Allocations

QUESTION: How are the new position allocations being used? Are they primarily for drug-related cases, or are they also being used for civil related matters?

ANSWER: Approximately 50 percent of the positions under the Violent Crime Initiative are to be used for drug prosecution and the rest will be devoted to violent crime, white collar crime, money laundering, fraud and other areas. Of these positions, 122 attorney positions were allocated to address the high intensity drug trafficking areas identified in the new Federal drug strategy prepared by William J. Bennett.

Asset Forfeiture

QUESTION: You have estimated the gross value of assets forfeited to be $500 million in 1990 and $525 million in 1991. Of these amounts, how much is turned back to State and local law enforcement through equitable sharing? How much is used to cover administrative costs? How much is returned to the Federal Government?

ANSWER: The figures you cite from the budget submission for the U.S. Attorneys reflect the estimated value of all forfeited property for the DOJ, whether forfeited administratively or judicially. The figures include the value of property not yet liquidated through sale, and property forfeited in customs and other cases that do not result in deposits into the DOJ Assets Forfeiture Fund. For example, through the first five months of 1990, over $20 million was deposited into the Customs Forfeiture Fund following judicial forfeiture. Information on the amounts realized and deposited into the Assets Forfeiture Fund and any distribution of those funds is presented under the budget submission for the Customs Forfeiture Fund.

In the Assets Forfeiture Fund budget submission, you will note that we anticipate deposits into the Fund of $470 million in 1990 and of $500 million in 1991. Based on the estimated deposits into the Fund in 1990 and 1991, we estimate equitable sharing payments will be $190.5 million and $200 million, respectively. Also, another $18 to $20 million worth of forfeited tangible property (primarily motor vehicles) is expected to be transferred to State and local law enforcement agencies each year.

The Department does not assess any fees for administration of the program. We do not use these funds to reimburse ourselves for the costs of our employees associated with the asset forfeiture program. However, the business expenses of the forfeiture program (asset management expenses, case related expenses, and payment of innocent third party interests) are expected to be $67.4 million in 1990 and $72 million in 1991. The majority of these costs are for payments to innocent third parties.

All surplus funds are available to the Federal Government as provided by statute. In 1990 and 1991, we plan to use $98.9 million and $100 million, respectively, to expand and improve the asset forfeiture program and to finance certain law enforcement uses. Beyond that, any remaining surplus funds (up to $150 million annually) are available for transfer to the Drug Czar's Office of National Drug Control Policy's Special Forfeiture Fund. We estimate transfers of $109 million at the end of 1990 and $128 million at the end of 1991.

Equitable Sharing

QUESTION: What restrictions are placed on the expenditure of equitable sharing funds? What types of expenditures can State and local authorities make?

ANSWER: There are few restrictions on the use of equitable sharing funds. The only statutory restriction is that the payment be made to a State or local law enforcement agency. In addition, the Attorney General has limited the use of these funds to law enforcement purposes and required that they be used to augment the normal budget of the involved State or local law enforcement agency. Therefore, the range of possible uses is vast and may include payment of salaries, benefits and overtime for law enforcement officers, the acquisition of capital equipment such as vehicles and firearms, or the funding of contracts for law enforcement research and development.

Training of New Assistant U.S. Attorneys

QUESTION: What formal training are the newly hired Assistant U.S. Attorneys given?

ANSWER: The Attorney General's Advocacy Institute, a branch of the Office of Legal Education, trains Department Attorneys. They offer six Criminal Trial Advocacy courses, six Civil Trial Advocacy courses and four Appellate Advocacy courses annually.

The Criminal Trial Advocacy courses consist of two weeks of extensive "learn by doing" exercises that concentrate on courtroom skills. Exercises during the first week encompass opening statement, direct and cross-examination, and court performance with experts from the FBI, the Drug Enforcement Administration (DEA), and other enforcement agencies. There is extensive use of the video replay and critique of student performance. Student-attorney participation intensifies during the second week and culminates with two days of mock trial experience during which visiting Federal judges preside over the students' performances before a jury. This course is followed by an advanced training course approximately six months later, in which the same student-attorneys attend lectures and workshops concentrating on such topics as grand jury, ethics, and persuasion.

The Civil Trial Advocacy courses consist of two weeks of the discovery phase of a civil case, testimony depositions, opening statements, direct and cross-examination to closing arguments. There is an expert witness phase where attorneys work with experts from the National Weather Service, the Nuclear Regulatory Commission, and the Corps of Engineers. Physicians and nurses also participate in the course to allow the attorneys the experience of direct and cross-examination of medical experts. Experienced Assistant U.S. Attorneys and Department Attorneys serve as instructors, conduct classroom exercises and critique via video playback. The last two days of the course are spent in mock trials held at the U.S. District Courthouse in Washington, D.C. before Federal district judges.

The Appellate Advocacy course is a one week program that focuses on lectures, panels, and practical exercises designed to improve the ability of the Attorneys to analyze facts, to write appellate briefs, and to make oral arguments. Each attorney must submit a brief prior to the course. During the course, each attorney argues three times. Performances are videotaped and critiqued by experienced Appellate Counsel. The program culminates in full-scale oral arguments before panels which include judges of the U.S. Courts of Appeals.

QUESTION: Specifically, what training is being offered in the sentencing guidelines, asset forfeiture and victims rights?

ANSWER: The Sentencing Guidelines are covered in the Basic Criminal Advocacy course, the Federal Practice course and the Advanced Criminal course. A considerable amount of time is devoted with presentations by officials of the DOJ and the Sentencing Commission. They interpret the guidelines and offer practical applications as well as teach DOJ policy.

There are approximately ten asset forfeiture courses planned for 1990. So far, courses have been held for AUSAs, Asset Forfeiture support personnel and the asset forfeiture components including FBI, DEA and the Marshals Service. The Line Attorney Training course for AUSA's was a five day course. Some of the major topics covered were: Overview of Asset Forfeiture; Commencing the Forfeiture; Initiating and Completing Discovery of the Civil Forfeiture; Obtaining the Civil Judgement; Post Civil Judgment Responsibilities; New Developments in Forfeiture Legislation; Administration of an Asset Forfeiture Unit and Agency Relations. The Asset Forfeiture Support Conference covered much of the same topics as the AUSA conference but with emphasis on the role of the non-attorney paralegal in Asset Forfeiture.

The Asset Forfeiture Component Seminar brings together representatives from DEA, FBI, Marshals Services, United States Attorney Offices, and DOJ to discuss topics of mutual interest in asset forfeiture and to develop the spirit of cooperation needed for successful programs.

In regards to victims rights, the director of the Office for Victims of Crime gives a presentation during the Basic Criminal Advocacy course advising AUSAs of the proper procedures to secure the funds available for assisting victims of crime. There are five courses planned for 1990 under the guidance of the Law Enforcement Coordinating Committee Office (LECC) of the Executive Office for U.S. Attorneys. Three courses have already taken place. The Child Sexual Abuse Conference, the Indian Crime Victims Conference and the National Organization for Victim Assistance Conference. These conferences were attended by LECC/Victim Witness coordinators, AUSAs, representatives from component agencies, and local law enforcement officials. The topics ranged from interviewing child witnesses, legislation concerning crime victims, law enforcement treatment of victims, dealing with media regarding victims of crime, compensation for victims of crime and jurisdiction on Indian lands.

The LECC/Victim Witness coordinators in the U.S. Attorney Offices schedule training and regular meetings on an ongoing basis with the AUSAs, component agencies and local law enforcement officials. The topics covered range from the rights of the victim, funding available for the victims, and general case information that the victim is required to know.

QUESTION: In light of the number of new Assistant United States Attorneys (AUSAs) that are being hired, are there any hiring guidelines in terms of trial experience?

ANSWER: Our experience last year has resulted in the formulation of a modified Federal Practices course to meet the needs of newly hired attorneys who are experienced litigators in the private sector but who need exposure to Federal legal practices. These new programs are held primarily in Washington, D.C. The subjects that are addressed in this course include: Overview of the Department of Justice and the Executive Office for United States Attorneys; Grand Jury Practice; AUSA - Agent Relations; Case Flow and Case Organization; Federal Rules of Evidence; Informants; Substantive Law Overview on Title 21; Environmental Crimes, Tax Offenses; White Collar Fraud, and Public Corruption; Drafting of Indictments; Immunity and Witness Security Program; Pre-Trial Motion Practice; Prosecutorial Ethics; Bail and Detention; Sentencing Guidelines; Asset Forfeiture; Victim-Witness Act and the Appellate Process.

Salaries for New Assistant U.S. Attorneys

QUESTION: What is the current starting salary for a new Assistant U.S. Attorney?

ANSWER: Since the 3.6 percent pay increase went into effect in January, the average salary for new assistants is approximately $57,400. This is in comparison to last fiscal year, when the average new hire was paid approximately $50,200 per year. Apart from the effect of the January pay raise, new assistants are experiencing a real increase of almost $5,000. This reflects new starting salary guidelines that are more reflective of salaries granted in private law firms.

Debt Collection

QUESTION: Since May of 1989, I understand that the Clerks of the Court have been responsible for processing of criminal fines, but the United States Attorney's office is responsible for enforcing them. How is this arrangement working out?

ANSWER: The Clerks of Court currently do not have adequate automated data processing equipment to maintain the records and compute interest on criminal fines. The Clerks of Court process the payments and notify the United States Attorneys of the payments they have received. The United States Attorneys are voluntarily continuing to maintain the records for new criminal fine impositions, payments, balances and interest. As a result, very little has changed since the return of the receipting function to the Clerks of Court in May 1989.

The courts are developing a National Fine Payment Center and they will assume responsibility for recordkeeping on criminal fines when the Center opens. The courts have advised us that they plan to implement the Center on a pilot basis in a limited number of districts this summer.

QUESTION: What formal arrangements do the two branches have to ensure the timely collection of fines?

ANSWER: As the National Fine Payment Center is in the planning stage, arrangements between the two branches are currently informal and subject to further negotiation. The United States Attorneys continue to monitor the timeliness of all payments on criminal fines using automated systems in their offices.

QUESTION: How does the United States Attorney's office "enforce" these fines?

ANSWER: Under title 18, United States Code, fines are enforced in the same manner as civil judgments. Pursuant to the Federal Rules of Civil Procedure, civil and criminal judgments are enforced in accordance with the procedures and practice of the State where the district court is located. The available enforcement remedies vary widely from State to State.

Where the remedies are available, liens are filed, garnishments of income and property are sought and writs of execution against real and personal property are issued. The United States Attorneys have drafted legislation to create a uniform enforcement law that will create a fairer and more easily administered scheme for enforcement. S.84, the Federal Debt Collection Procedures Act, passed the Senate on November 3, 1989, and is currently pending in the House Judiciary Committee.

QUESTION: Is there an established late period beyond which action is taken?

ANSWER: The Criminal Fine Enforcement Act, the Sentencing Reform Act and the Criminal Fine Improvements Act all state that the payment of a fine is due immediately unless the court orders otherwise. These statutes also specify when a fine is deemed to be delinquent or in default. Although the language in each statute varies, a fine that is 30 days past due is generally deemed delinquent and a fine that has been delinquent for 90 days is generally deemed to be in default. Various late payment penalties may be imposed under these statutes when a fine is delinquent or in default.

QUESTION: How will the $5 million provided in 1990 for debt collection be utilized?

ANSWER: The $5 million appropriation to fund debt collection activities will be utilized for the following:

A. Locating Debtors and Assets

The Debt Collection Fund will be used to supplement existing resources for obtaining debt collection services that have long been available to private sector creditors. The United States Attorneys often must track down debtors who relocate in order to collect money owed to the Federal Government. The Debt Collection Fund will allow the United States Attorneys to retain professional skip-tracing services for this purpose. The Debt Collection Fund will also allow the United States Attorneys to purchase credit reports to determine what assets may be available to the debtor to pay his Federal debt. The United States Attorneys will now also be able to obtain asset searches through real estate locator services, State and local registrations and filings and other public record inquiries.

In the past, budgetary restrictions have limited the use of these services. The Debt Collection Fund will allow the United States Attorneys to use these services on an on-going basis for larger numbers of debts.

ALLOCATIONS OF FISCAL YEAR 90
POSITIONS
23-Feb-90
02:41 PM

District	Transfers In Strike Force Attys	Strike Force Support	Financial Institution Fraud AUSAs	Support	Systems Managers	AUSAs Violent Crime	AUSAs High Intensity Drug Areas	VC – HIDTA Total AUSAs	Total Support	ALL ROUNDS TOTAL AUSA ALLOC.	ALL ROUNDS TOTAL SUPPORT ALLOC.
ILLINOIS NORTHERN	15	7	3	4		10		10	8	28	19
ILLINOIS SOUTHERN					1	5		5	4	5	5
INDIANA NORTHERN						5		5	4	5	4
INDIANA SOUTHERN						3		3	3	3	3
IOWA NORTHERN			1	1	1	4		4	4	5	6
IOWA SOUTHERN			0	0	1	2		2	2	2	3
KANSAS			3	4		3		3	4	6	8
KENTUCKY EASTERN						6		6	5	6	5
KENTUCKY WESTERN					1	7		7	5	7	6
LOUISIANA EASTERN	5	3	3	4		4		4	3	12	10
LOUISIANA MIDDLE			2	2	1	2		2	2	4	5
LOUISIANA WESTERN			2	2		5		5	6	7	8
MAINE			0	0	1	3		3	3	3	4
MARYLAND						8		8	5	8	5
MASSACHUSETTS	12	8	2	2		10		10	5	24	15
MICHIGAN EASTERN	6	3				9		9	9	15	12
MICHIGAN WESTERN						7		7	6	7	6
MINNESOTA			3	4		8		8	7	11	11
MISSISSIPPI NORTHERN					1	3		3	3	3	4
MISSISSIPPI SOUTHERN					1	4		4	3	4	4
MISSOURI EASTERN						4		4	3	4	3
MISSOURI WESTERN	6	4	3	4		3		3	3	12	11
MONTANA					1	1		1	2	1	3
NEBRASKA			1	1	1	3		3	4	4	6
NEVADA	6	3			1	2		2	3	8	7

ALLOCATIONS OF FISCAL YEAR 90 POSITIONS

23-Feb-90
02:41 PM

District	Transfers In Strike Force Attys	Strike Force Support	Financial Institution Fraud AUSAs	Financial Institution Fraud Support	Systems Managers	AUSAs Violent Crime	AUSAs High Intensity Drug Areas	VC - HIDTA Total AUSAs	VC - HIDTA Total Support	ALL ROUNDS TOTAL AUSA ALLOC.	ALL ROUNDS TOTAL SUPPORT ALLOC.
NEW HAMPSHIRE			1	1	1	2		2	2	3	4
NEW JERSEY	11	5	1	1		5	5	10	6	22	13
NEW MEXICO					1	1	4	5	6	5	7
NEW YORK EASTERN	16	9	3	4		10	15	25	21	44	34
NEW YORK NORTHERN	2	1			1	5		5	6	7	8
NEW YORK SOUTHERN			3	4		10	20	30	23	33	27
NEW YORK WESTERN	8	5			1	5		5	5	13	11
NORTH CAROLINA EASTERN			2	2	1	4		4	5	6	8
NORTH CAROLINA MIDDLE					1	2		2	2	2	3
NORTH CAROLINA WESTERN					1	2		2	2	2	3
NORTH DAKOTA			1	1	1	0		0	1	1	3
OHIO NORTHERN	8	4	1	1		4		4	2	13	7
OHIO SOUTHERN						4		4	3	4	3
OKLAHOMA EASTERN			0	0	1	0		0	1	0	2
OKLAHOMA NORTHERN			0	0	1	2		2	2	2	3
OKLAHOMA WESTERN			5	6		3		3	4	8	10
OREGON						7		7	5	7	5
PENNSYLVANIA EASTERN	11	6	1	1		10		10	10	22	17
PENNSYLVANIA MIDDLE			0	0	1	3		3	3	3	4
PENNSYLVANIA WESTERN						4		4	2	4	2
PUERTO RICO						2		2	1	2	1
RHODE ISLAND	2	1	0	0	1	1		1	1	3	3
SOUTH CAROLINA						9		9	9	9	9
SOUTH DAKOTA			0	0	1	1		1	1	1	2
TENNESSEE EASTERN			0	0	1	3		3	5	3	6

ALLOCATIONS OF FISCAL YEAR 90
POSITIONS
23-Feb-90
02:41 PM

District	Transfers In Strike Force Attys	Strike Force Support	Financial Institution Fraud AUSAs	Support	Systems Managers	AUSAs Violent Crime	AUSAs High Intensity Drug Areas	VC - HIDTA Total AUSAs	Total Support	ALL ROUNDS TOTAL AUSA ALLOC.	ALL ROUNDS TOTAL SUPPORT ALLOC.
TENNESSEE MIDDLE					1	2		2	2	2	3
TENNESSEE WESTERN			1	1	1	2		2	3	3	5
TEXAS EASTERN			3	4	1	7		7	7	10	12
TEXAS NORTHERN			12	14		8		8	9	20	23
TEXAS SOUTHERN	1	1	15	10		5	10	15	10	31	29
TEXAS WESTERN			6	7		5	10	15	12	21	19
UTAH					1	3		3	4	3	5
VERMONT					1	3		3	3	3	4
VIRGIN ISLANDS					1	2		2	2	2	3
VIRGINIA EASTERN						10		10	11	10	11
VIRGINIA WESTERN						3		3	3	3	3
WASHINGTON EASTERN			4	0	1	4		4	3	4	4
WASHINGTON WESTERN			2	2		8		8	7	10	9
WEST VIRGINIA NORTHERN					1	2		2	2	2	3
WEST VIRGINIA SOUTHERN					1	3		3	3	3	4
WISCONSIN EASTERN						6		6	5	6	5
WISCONSIN WESTERN					1	3		3	3	3	4
WYOMING			1	1	1	2		2	2	3	4
TOTAL	140	82	120	140	47	430	127	552	479	820	748

B. Training

Training of United States Attorney debt collection personnel is currently done on a nationwide basis. While this type of training is necessary to communicate uniform policies and procedures, current law limits the scope of the training. Each United States Attorney must enforce the collection of Federal debts pursuant to the law of the State where his district is located. Nationwide training cannot address the vagaries of the laws of the fifty States. The Debt collection Fund can be used by United States Attorneys to pay for local training programs that focus on State law issues. The United States Attorneys are also piloting joint training of probation officers and United States Attorney's personnel.

C. Sales of Property

The United States Attorneys generally sell property pursuant to a writ of execution or a judgment of foreclosure and sale. Frequently, the proceeds of these sales are insufficient to pay both the underlying debt to the Federal agency and the costs of sale. When this occurs, the United States Attorneys must absorb the loss as a litigation expense. The Debt Collection Fund will provide relief to the United States Attorneys by meeting some of these expenses. For example, if a United States Attorney seizes a student loan debtor's automobile, storage and maintenance costs can be paid from the Fund. The Debt Collection Fund will thus remove any financial disincentive the United States Attorneys may have felt for pursuing some of these enforcement remedies.

QUESTION: Do you have any estimates on the amount of debts to be collected in 1990?

ANSWER: We have projected $208,650 million in cash collections and other recoveries on criminal debts in 1990. This includes amounts estimated to be paid to the Crime Victims Fund collected through the Clerks of the U.S. Courts. Currently, $1.1 billion is due and owed on criminal debts arising from criminal fines, assessments, bail bond forfeitures and other criminal debts.

THURSDAY, MARCH 8, 1990.

ANTITRUST DIVISION

WITNESSES

JAMES F. RILL, ASSISTANT ATTORNEY GENERAL

JUDY L. WHALLEY, DEPUTY ASSISTANT ATTORNEY GENERAL

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

Mr. SMITH. We will now hear testimony on the Antitrust Division. This Division requests $33,730,000 in fiscal year 1991. In addition, the request assumes that an additional $20 million from filing fees will be available to the Division. We will insert in the record at this point the Antitrust Division's fiscal year 1991 budget justification.

[The justification follows:]

Department of Justice

Antitrust Division

Estimates for Fiscal Year 1991

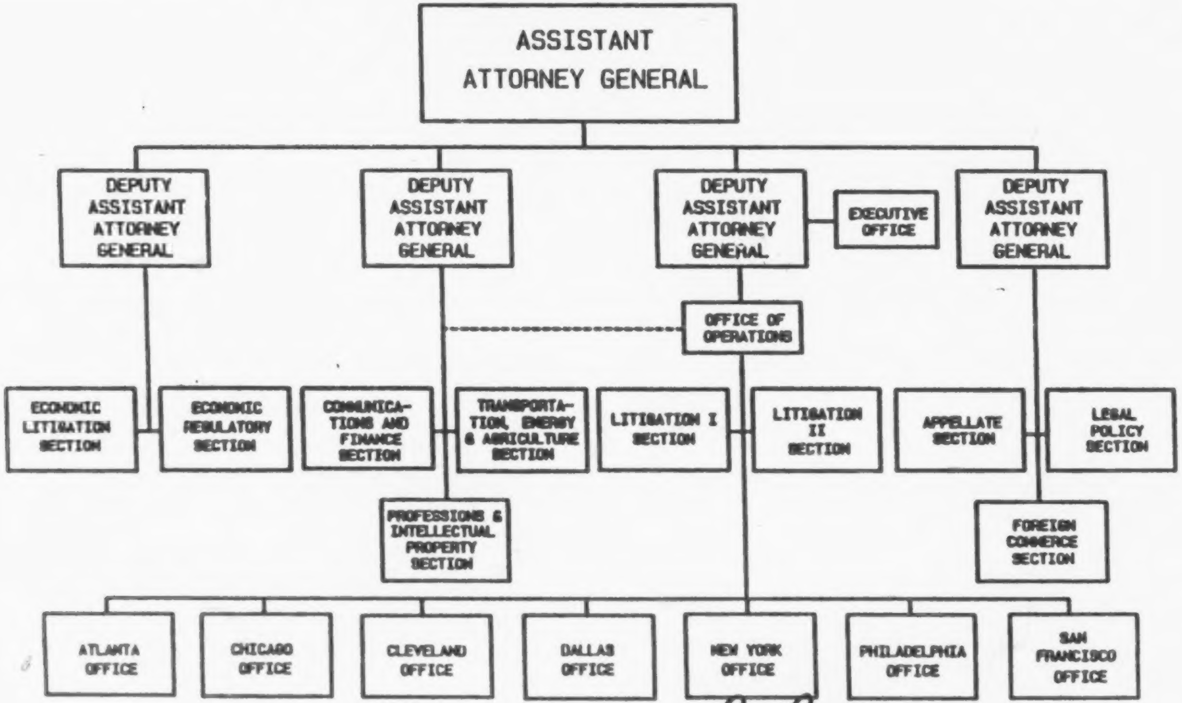
Table of Contents

	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes in Appropriation Language	3
Crosswalk of 1990 Changes	4
Summary of Requirements	5
Summary of Resources by Program	7

Justification of Program and Performance:

Federal Appellate Activity	8
Termination and Prevention of Private Cartel Behavior	9
Preservation of Competitive Market Structure	11
Policy Analysis, Legislation and Training	13
Competition Advocacy Program	15
Management and Administration	16
Priority Ranking	18
Detail of Permanent Positions by Category	19
Summary of Change	20
Justification of Adjustments to Base	21
Summary of Requirements by Grade and Object Class	24
Consulting and Related Services	28
Reimbursable Resources	29
Justification of Reimbursable Resources	30

ANTITRUST DIVISION


ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
DEPUTY ASSISTANT ATTORNEY GENERAL
EXECUTIVE OFFICE
DEPUTY ASSISTANT ATTORNEY GENERAL
OFFICE OF OPERATIONS
ECONOMIC LITIGATION SECTION
ECONOMIC REGULATORY SECTION
COMMUNICATIONS AND FINANCE SECTION
TRANSPORTATION, ENERGY & AGRICULTURE SECTION
LITIGATION I SECTION
LITIGATION II SECTION
APPELLATE SECTION
LEGAL POLICY SECTION
PROFESSIONS & INTELLECTUAL PROPERTY SECTION
FOREIGN COMMERCE SECTION
ATLANTA OFFICE
CHICAGO OFFICE
CLEVELAND OFFICE
DALLAS OFFICE
NEW YORK OFFICE
PHILADELPHIA OFFICE
SAN FRANCISCO OFFICE

Approved: ______________________ Date: 10-10-89
DICK THORNBURGH
Attorney General

Antitrust Division

Salaries and expenses

Summary Statement

Fiscal Year 1991

For 1991, the Antitrust Division is requesting 387 positions, 372 workyears, and $33,730,000 in direct appropriation authority. This represents no increase from the 1991 base, and reflects the Division's commitment to reducing the Federal budget, while preserving key law enforcement programs carried out by the Division. The position, workyear, and funding amounts reflect the continued conversion of a large portion of program funding from direct appropriation authority to indirect funding from user fees collected pursuant to Public Law 101-162.

The mission of the Antitrust Division is to promote and protect the operation of the free market system in the United States, thereby protecting consumers and ensuring the optimal operation of the American economy. The free enterprise system has led to growth and prosperity in this country, and competition is its keystone. Competition ensures that the prices consumers, including the Federal Government, pay for goods and services are determined by free market forces rather than by collusion, and it fosters efficiency and innovation, strengthening America's industrial base and maximizing the return from America's resources.

The Antitrust Division increasingly has focused its enforcement efforts on: (1) prosecution of the white collar crimes of price fixing, bid rigging and customer and territorial allocation—crimes of fraud and deceit that directly harm consumers through increased prices and restricted output of goods and services; and (2) review of proposed mergers and joint ventures to ensure that they do not give rise to market conditions in which competition would be reduced significantly and prices to consumers would be increased.

Criminal antitrust enforcement against bid rigging and price fixing is the Antitrust Division's highest priority. Working with the FBI, the Defense investigative agencies and various Inspectors General throughout the government, the Antitrust Division vigorously investigates and prosecutes collusion. The Division's goal is both to punish those who have committed "crime in the suites" and to deter such criminal conduct from occurring in the future.

To further the detection and prosecution of collusion, the Division has provided briefings and training materials to Federal investigative agents, U.S. Attorneys' Offices, procurement agents, and the FBI. Last year the Division published "The Prosecutor's Guide to Antitrust Enforcement," which was distributed to U.S. Attorneys' Offices and to the FBI to assist them in identifying and referring potential antitrust violations. The Division also has expanded and improved its own investigative efforts. These efforts have paid off in increased detection of antitrust crimes and greatly expanded caseload.

The Division continues to pursue an active, vigorous and fair-minded merger enforcement policy that distinguishes procompetitive mergers from those that threaten competition and American consumers. The Division's merger analysis is based on economic and business realities. It recognizes that the vast majority of mergers are procompetitive, creating substantial improvements and efficiencies in management, production, or marketing for the merged entity. The Division's merger analysis recognizes that frequently the markets in which U.S. companies compete are world markets, and foreign companies are significant competitors that U.S. companies face. The Division's merger analysis is based upon a thorough understanding of the markets in which the merging companies operate and the full nature of competition in those markets. While for most mergers a quick review makes clear there is no significant competitive impact from the merger, for other mergers a detailed, fact-intensive investigation must be conducted to determine whether the effect of the merger will be to reduce competition and facilitate collusive or monopolistic behavior. Workload in this area continues to escalate, with an estimated 2,900 premerger notifications to be reviewed in 1990, a figure that is more than triple the number reviewed in 1981, more than double the number reviewed in 1984, and growing each year. The Division intends to use the potential additional flexibility afforded by filing fees to meet this and other escalating workload.

It is essential to consumer and business welfare that antitrust vigilance be maintained at the Federal level. The effectiveness of the Division's enforcement effort is partially demonstrated by its fine, penalty and damage collections, totalling over $34 million returned to the General Fund of the Treasury in 1989. These amounts, while significant, do not reflect the value of deterrence of other price-fixing and bid-rigging crimes against Federal, state and local procurement agencies and against consumers, perhaps the biggest benefits to consumers of the Antitrust Division's efforts. Based upon information available in 1989, the Division estimates direct savings to the U.S. Treasury alone, in the hundreds of millions of dollars from deterred price fixing and bid rigging.

Antitrust Division

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in appropriation language listed below. New language is underscored, and deleted matter is enclosed in brackets.

Salaries and Expenses, Antitrust Division

For expenses necessary for the enforcement of antitrust and kindred laws: [$32,222,000] ______ $33,730,000

: Provided, that fees made available to this appropriation in fiscal year 1991, pursuant to section 605 of Public Law 101-162, shall remain available until expended. (Department of Justice Appropriations Act, 1990; additional authorizing legislation to be proposed.)

Explanation of Change:

Section 605 of Public Law 101-162, the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1990, established a filing fee for Hart-Scott-Rodino premerger reviews. Under this provision, not to exceed $40,000,000 in receipts may be shared equally between the Federal Trade Commission and the Antitrust Division. To offset these receipts, the Division's account was reduced $15,000,000 below the President's 1990 request with the expectation that the difference would be made up by receipts from the new fee. The no-year language would make the fees available until expended. This is necessary to enable the Division to maintain a more stable, predictable level of financing.

Antitrust Division

Salaries and expenses

Crosswalk of 1990 Changes
(Dollars in thousands)

	1990 President's Budget Request			Congressional Appropriation Action on 1990 Request			1990 Sequestration			1990 Appropriation Enacted		
Activity/Program	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
Enforcement of antitrust and kindred laws:												
Federal appellate activity........	16	16	$ 1,263	...	...	...	...	...	- 16	16	16	$ 1,247
Termination and prevention of private cartel behavior.........	210	190	17,202	..	...	...	...	...	-216	210	190	16,986
Preservation of competitive market structure................	157	154	17,159	-157	-154	-15,000	...	...	- 27	...	...	2,132
Policy analysis, legislation and training....................	60	59	4,848	...	...	...	...	...	- 61	60	59	4,787
Competition advocacy program	34	34	2,553	...	...	...	...	...	- 32	34	34	2,521
Management and administration.....	67	73	4,197	...	...	...	...	...	- 53	67	73	4,144
Total...........................	544	526	47,222	-157	-154	-15,000	...	...	-405	387	372	31,817

Congressional Appropriation Actions. During the course of Congressional review of the 1990 Commerce-Justice-State Appropriations bill, substantive legislation was added in the Senate that replaced $15,000,000 of direct appropriation funding with indirect funding anticipated from the implementation of a new filing fee associated with premerger notifications. This legislation was subsequently enacted as Section 605 of the Title VI General Provisions.

1990 Sequestration. Pursuant to the Omnibus Budget Reconciliation Act of 1989, direct funding in the amount of $405,000 was sequestered in 1990.

Antitrust Division

Salaries and expenses

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990	387	372	$32,222
1990 Sequestration	...	...	-405
1990 Appropriation Enacted	...	...	31,817
Mandatory increases	...	...	2,517
Decreases	...	...	-604
1991 base	387	372	33,730

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Enforcement of antitrust and kindred laws	387	372	$31,817	387	372	$33,730	387	372	$33,730	...	...	...
	Approp.	Reimb	Total	Approp.	Reimb	Total	Approp.	Reimb	Total	Approp.	Reimb	Total
EOY Employment												
Full-time permanent	313	254	567	313	254	567	313	254	567	...	...	...
Other	51	5	56	51	5	56	51	5	56	...	—	...
	364	259	623	364	259	623	364	259	623	...	...	...

Proposed for later transmittal:

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Enforcement of antitrust and kindred laws	387	372	$31,817	387	372	$33,730	405	390	$35,124	18	18	$1,394
	Approp.	Reimb	Total	Approp.	Reimb	Total	Approp.	Reimb	Total	Approp.	Reimb	Total
EOY Employment												
Full-time permanent	313	254	567	313	254	567	331	254	585	18	...	18
Other	51	5	56	51	5	56	51	5	56	...	—	...
	364	259	623	364	259	623	382	259	641	18	...	18

Explanation:

The Administration is proposing legislation to terminate the Interstate Commerce Commission and to complete deregulation of the motor carrier, freight forwarder, and water carrier industries. Remaining rail-related activities would be transferred to the Departments of Justice and Transportation. The Justice Department will assume responsibility for reviewing applications for rail-related mergers, consolidations, and acquisitions. Funds in the amount of $1,394,000, 18 authorized positions and 18 workyears are proposed for transfer to the Antitrust Division in the event this legislation passes.

Filing Fees

Summary of Requirements
(Dollars in thousands)

Financing	1989 Actual Perm. Pos.	1989 Actual WY	1989 Actual Amount	1990 Estimate Perm. Pos.	1990 Estimate WY	1990 Estimate Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount
Unobligated balance available, start of year	...	...	...	...	...	...	...	...	...
Offsetting Collections: Nonfederal sources	...	...	...	236	191	$20,000	236	228	$20,000
Unobligated balances available, end of year	...	...	...	...	...	...	...	...	...
Enacted Budget Authority	...	...	...	236	191	20,000	236	228	20,000
Omnibus Budget Reconciliation Act, 1989	...	...	...	...	...	- 251	...	...	...
Authorized Budget Authority	...	...	...	236	191	19,749	236	228	20,000
Obligations by Program									
Termination and Prevention of Private Cartel Behavior	...	...	...	35	17	2,644	35	35	2,678
Preservation of Competitive Market Structure	...	...	...	201	174	17,105	201	193	17,322
Total Obligations	...	...	...	236	191	19,749	236	228	20,000

Section 605 of Public Law 101-162, the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1990, established a filing fee for Hart-Scott-Rodino premerger reviews. Under this provision, not to exceed $40,000,000 in receipts may be shared equally between the Federal Trade Commission and the Antitrust Division. To offset these receipts, the Division's account was reduced $15,000,000 below the President's 1990 request with the expectation that the difference would be made up by receipts from the new fee. The additional $5,000,000 anticipated for 1991 as the net result of replacing $15,000,000 of appropriated funding with up to $20,000,000 of funding from filing fees provides for an increase of 79 authorized positions and 74 workyears above the base positions and workyears converted from direct funding to indirect funding. These additional resources will be applied to the Division's Termination of Private Cartel Behavior Program, and the Preservation of Competitive Market Structure Program, the Division's two highest priority programs.

Antitrust Division

Salaries and expenses

Summary of Resources by Program

(Dollars in thousands)

Activity/Program	1989 as Enacted			1989 Actual			1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/ Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm Pos.	WY	Amt.
Enforcement of antitrust and kindred laws:																		
Federal appellate activity..........	16	16	$1,192	16	15	$1,190	16	16	$1,247	16	16	$1,318	16	16	$1,318	...	...	...
Termination and prevention of private cartel behavior..........	215	195	16,384	215	188	16,357	210	190	16,986	210	190	17,994	210	190	17,994	...	...	...
Preservation of competitive market structure..................	157	154	16,477	157	147	16,450	...	...	2,132	...	...	2,239	...	...	2,239	...	...	...
Policy analysis, legislation and training......................	60	59	4,586	60	56	4,578	60	59	4,787	60	59	5,053	60	59	5,053	...	...	...
Competition advocacy program	34	34	2,402	34	32	2,398	34	34	2,521	34	34	2,671	34	34	2,671	...	...	...
Management and administration......	67	73	3,896	67	70	3,890	67	73	4,144	67	73	4,455	67	73	4,455	...	...	...
Total..............................	549	531	44,937	549	508	44,863	387	372	31,817	387	372	33,730	387	372	33,730	...	...	...
Reimbursable Workyears:																		
FTE.................................		...			...			191			228			228			...	
Total workyears.....................		531			508			563			600			600			...	
Other workyears:																		
Holiday.............................		...			...			...			...			...			...	
Overtime............................		8			8			5			5			5			...	
Other Reimbursable Workyears:																		
Overtime............................		...			...			3			3			3			...	
Total compensable workyears........		539			516			571			608			608			...	

Antitrust Division

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Enforcement of antitrust and kindred laws	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity........	16	16	$1,247	16	16	$1,318	16	16	$1,318	...	...	...
Termination and prevention of private cartel behavior..........	210	190	16,986	210	190	17,994	210	190	17,994	...	...	...
Preservation of competitive market structure................	...	...	2,132	...	...	2,239	...	...	2,239	...	...	...
Policy analysis, legislation and training....................	60	59	4,787	60	59	5,053	60	59	5,053	...	...	...
Competition advocacy program	34	34	2,521	34	34	2,671	34	34	2,671	...	...	...
Management and administration.....	67	73	4,144	67	73	4,455	67	73	4,455	...	...	...
Total...........................	387	372	31,817	387	372	33,730	387	372	33,730	...	...	...

The resources identified above are exclusive of filing fees collected pursuant to Public Law 101-162 used in support of the Termination and Prevention of Private Cartel Behavior Program and the Competitive Market Structure Program. Resources of the Antitrust Division are used for the mission of protecting and promoting competition.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal appellate activity........	16	16	$1,247	16	16	$1,318	16	16	$1,318	...	...	...

Long-Range Goal: To provide effective representation before Courts of Appeals and the U.S. Supreme Court for antitrust cases and also representation in proceedings to review orders of certain regulatory agencies.

Major Objectives:

To support the sound and consistent development and enforcement of antitrust laws through the expert prosecution and defense of appeals in cases brought by the United States.

To protect the interests of the United States in the development of antitrust law through participation as *amicus curiae* in private antitrust appeals.

To advocate competition in appeals taken from regulatory proceedings.

Base Program Description: To provide effective representation, the Division acts on antitrust cases before the Supreme Court as authorized by the Solicitor General; represents the interests of the United States in the Courts of Appeals in all civil and criminal cases brought by the United States under the Federal antitrust laws; reviews certain decisions of the Interstate Commerce Commission, the Federal Communications Commission, the Federal Maritime Commission and the Nuclear Regulatory Commission, and prepares an appeal position for the United States; and prepares and files *amicus* briefs in the district courts, the Courts of Appeals and the Supreme Court in selected private antitrust cases. The Division's responsibility for appeals from decisions by district courts in antitrust cases and for participation as *amicus curiae* is defined by 28 C.F.R. §0.20 and 28 C.F.R. §0.40(a). Authority to represent the United States in proceedings to review orders of the Interstate Commerce Commission, Federal Communications Commission, Federal Maritime Commission and the Nuclear Regulatory Commission is contained in 28 U.S.C. §§2341-2350.

Accomplishments and Workload: Accomplishments of the Federal Appellate Activity are presented in the following table:

			Estimates	
Item	1988	1989	1990	1991
Administrative Law Cases				
Pending	82	115	159	159
Filed	129	124	125	125
Terminated	96	80	125	125
Antitrust *Amicus* Cases				
Filed	7	3	3	3
Terminated	6	2	3	3
Antitrust Division Cases In Courts of Appeals				
Won	17	18	20	20
Lost	2	...	...	...
Dismissed	2	1	...	...
Antitrust Division Cases In Supreme Court				
Won	2	2	3	4
Lost	...	...	...	...
Dismissed	...	...	...	...

NOTE: Pending administrative law cases were reviewed during 1989 and adjusted to reflect accurate totals. Upon review, the 1989 pending case total was adjusted from 239 reported in the 1990 Congressional Budget Submission to the current total of 115 pending administrative law cases, as shown above.

Significant recent achievements in the Federal Appellate Activity include: Supreme Court opinions in three cases in which the Court agreed with the Division's position, including one in which the Division successfully petitioned for a writ of *certiorari*, and winning all recent Courts of Appeals cases involving bid rigging and price fixing, our major criminal enforcement priority. Two of the Supreme Court decisions, relating to waiver of double jeopardy and interlocutory appeal from grand jury proceedings, are important to all criminal enforcement work in the Department of Justice.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Termination and prevention of private cartel behavior.....	210	190	$16,986	210	190	$17,994	210	190	$17,994	...	...	...

The resources identified above exclude filing fees collected pursuant to Public Law 101-162 that are used in part to support the Termination and Prevention of Private Cartel Behavior Program.

Long-Range Goal: To promote and maintain competition in the American economy by reducing private cartel behavior that restrains trade or commerce.

Major Objectives:

To promote and maintain competition, economic efficiency, and the enhancement of consumer welfare by using criminal and civil enforcement of Section 1 of the Sherman Act to terminate and prevent agreements that restrain competition.

To limit cartel behavior in industries subject to state or Federal regulation to conduct that has been authorized by statute; to prevent the continuation of cartel behavior once statutes authorizing the approval of such behavior have been repealed.

To educate the public, business, legal professions, and other government agencies with respect to the principles of antitrust laws and enforcement policies.

Base Program Description: The purpose of this program is to deter private cartel behavior by investigating and litigating violations of Section 1 of the Sherman Act. A wide range of investigatory techniques is used, including staff and FBI investigations, civil investigative demands, and grand jury investigations to detect collusion and bid rigging. Professional economists assist in collecting and analyzing market and pricing data, providing expert testimony where appropriate. In some instances, once the government detects and successfully prosecutes collusion, it may obtain additional injunctive relief. The Division must then monitor the firms to ensure that they abide by the injunctive provisions of such relief.

The Division's vigorous prosecution of private horizontal restraints is essential. Cartel behavior has no redeeming economic virtues. Agreements among competitors entered into for the purpose of artificially restricting output and raising prices do not yield organizational efficiencies or economies of scale; they simply defraud consumers. State and local law enforcement efforts, while contributing to the prevention of locally-oriented cartel behavior, cannot cope with the complex interstate nature of the conspiracies investigated and prosecuted by the Division. Intense nationwide enforcement of the Federal antitrust laws serves to prevent the serious drain on the nation's economy that cartel behavior causes.

Accomplishments and Workload: Accomplishments of the Termination and Prevention of Private Cartel Behavior Program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Preliminary Inquiries				
Pending at start of year	147	114	111	111
Opened during the year	134	141	145	145
Closed during the year	167	144	145	145
Civil Investigative Demands				
Pending at start of year	39	30	30	30
Opened during the year	19	32	35	35
Closed during the year	28	32	35	35
Grand Juries				
Pending at start of year	145	156	156	156
Opened during the year	63	47	50	50
Closed during the year	52	47	50	50
Price Fixing Cases - Criminal				
Pending at start of year	90	135	92	92
Opened during the year	74	80	90	95
Closed during the year	29	123	90	95

NOTE: Since the exact nature of the violation is often unclear during the early stages of an investigation, Preliminary Inquiries and Civil Investigative Demands are identified as activity for both the Termination and Prevention of Private Cartel Behavior and the Preservation of Competitive Market Structure Programs. The large increase in the number of criminal price-fixing cases closed in 1989 *versus* 1988 reflects the Division's efforts to take administrative steps necessary to formally close cases, largely concluded in prior years but not closed because of a shortage of staff time to do so.

Accomplishments and Workload: Accomplishments of the Termination and Prevention of Private Cartel Behavior Program are continued in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Other Federal Crimes (False Statements, Perjury, Obstruction of Justice)				
Filed	13	6	7	8
Won	6	15	7	8
Lost	3	2	...	...

Vigorous prosecution of horizontal price fixing, bid rigging and market allocations among competitors, has been and will continue to be the Antitrust Division's primary enforcement activity. During 1989, the Division filed 86 criminal cases against 88 corporations and 76 individuals; fines were assessed in the amount of $28.5 million and sentences of 28,435 jail days (approximately 77.9 years) were imposed, of which 7,473 days (approximately 20.5 years) will be served by antitrust violators. In the first quarter of 1990, the Division filed 30 criminal cases against 34 corporations and 19 individuals. For this period, fines were assessed in the amount of $5,753,500 and sentences of 1,425 jail days (approximately four years) have been imposed, of which 512 days (approximately 1.5 years) will be served by antitrust violators.

Integral to the Division's criminal enforcement effort is an intensive probe of bid-rigging and price-fixing activities in connection with Federal procurement activities. The Division's highest priority in this area has been the investigation and prosecution of bid rigging and price fixing on contracts let by the United States Department of Defense, including the U.S. Army Corps of Engineers. These cases have involved the procurement of military uniforms, gloves, dredging, moving and storage services for military personnel, and various medical products. Division prosecutions have charged violations of Section 1 of the Sherman Act, mail fraud, false statements submitted to government agencies, perjury, conspiracy to defraud the U.S. Government, illegal gratuities, destruction of government records, and aiding and abetting. The Division intends to remain active in this area of criminal enforcement with 34 of its current 162 grand jury investigations focused on Federal procurement programs.

Recently, the Division's economic analysis staff conducted a review of available data and concluded that enforcement activities save the Federal Government, through restrained prices of goods and services purchased by the government, anywhere from $400 million to $1.85 billion per year. This depicts the order of magnitude of commerce involved in Federal procurement, as these estimated savings represent only one-tenth of one percent of the total dollar volume. Fines per capita attorney returned to the Treasury are only a small part of the return on investment in this program. Savings to consumers and taxpayers as a result of the deterrent effect of antitrust enforcement multiply the cost effectiveness of resources devoted to this program.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Preservation of competitive market structure	...	...	$ 2,132	...	...	$ 2,239	...	...	$ 2,239	...	...	...

The resources identified above exclude filing fees collected pursuant to Public Law 101-162 that are used in majority to support the Preservation of Competitive Market Structure Program. The remaining appropriated funding identfied above is non-personnel related, and is only the residual appropriated funding left after $15 million of direct funding for the Structure program was converted to non-appropriated funding during the 1990 Congressional process. More information about the non-appropriated funding for this program can be found in the back of the submission under "Reimbursable Resources".

Long-Range Goal: To enhance the ability of markets to function efficiently by preventing mergers and acquisitions that may lessen competition and by preventing and dissipating monopoly power acquired or maintained by purposeful conduct inconsistent with competition on the merits.

Major Objectives:

To implement a coherent merger enforcement program which prevents mergers that threaten to reduce competition in specific markets while minimizing governmental interference with transactions having no significant potential for harm.

To enforce effectively the premerger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

Base Program Description: The purpose of this program is to prevent or dissipate unlawfully acquired or maintained market power and to enjoin mergers that may lessen competition. Economists are in general agreement that the potential economic benefits of preventing monopolization of, and undue concentration in, particular markets are substantial. The Division promotes and maintains the competitive structure of the national economy through investigation and litigation of instances in which market power is sought, attained, or maintained through anticompetitive conduct and by seeking injunctive relief against mergers and acquisitions that may tend to eliminate competition. The principal statutes enforced under this program are section 2 of the Sherman Act and section 7 of the Clayton Act. The Division's responsibility for this enforcement program is found in 28 C.F.R. §0.40(a).

To realize maximum benefits from the Division's civil enforcement efforts, antitrust litigation resolved in favor of the government must be given full effect through appropriate injunctive relief, and firms subject to antitrust judgments must be monitored to assure that injunctive provisions are met. The Division also has established a program to review existing decrees and to seek the elimination of those that have become anticompetitive or that otherwise no longer serve the public interest.

Accomplishments and Workload: Accomplishments of the Preservation of Competitive Market Structure Program are presented in the following table:

Item	1988	1989	Estimates	
			1990	1991
Premerger Notifications	2,747	2,883	2,900	2,900
Preliminary Inquiries				
Pending at start of year	147	114	111	111
Opened during the year	134	141	145	145
Closed during the year	167	144	145	145
Civil Investigative Demands				
Pending at start of year	39	30	30	30
Opened during the year	19	32	35	35
Closed during the year	28	32	35	35
Merger Cases				
Pending at start of year	6	7	10	10
Opened during the year	6	5	7	7
Closed during the year	5	2	7	7

NOTE: Since the exact nature of the violation is often unclear during the early stages of an investigation, Preliminary Inquiries and Civil Investigative Demands are identified as activity for the Termination and Prevention of Private Cartel Behavior and Preservation of Competitive Market Structure Programs.

In 1989, the Division reviewed 2,883 reports of mergers and acquisitions filed under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and estimates indicate that this figure will exceed 2,900 in 1990 and 1991. This number compares to 2,747 and 2,533 reviews conducted for 1988 and 1987, respectively. In 1989, the Division challenged five proposed mergers and acquisitions in court because of lessening of competition in the affected markets. Two of these were resolved through consent decrees requiring divestiture in order to remedy competitive problems, and one decree is still pending entry by the court. One case went to trial, and the Division prevailed in that case. In the Division's fifth merger challenge, the parties abandoned the transaction prior to the commencement of trial, and a stipulated dismissal was agreed to. The Division advised the parties to four other transactions that it would challenge their proposals if they went forward; these transactions were restructured or abandoned. In addition, the Division filed one section 7A case pursuant to the Clayton Act, 15 U.S.C. § 18a, which requires notification to the Division of proposed mergers. A civil penalty totalling $3,000,000 was paid in this case. It is anticipated that 7A referrals from the Federal Trade Commission (FTC) will increase because the FTC has an increased number of investigations in progress. The Division currently has under review six referrals from the FTC for premerger notification violations.

A Division task force established in 1988 to augment the Division's litigation capabilities for enforcement of the AT&T consent decree has continued several major investigations of decree violations. In addition, substantial staff and supervisory time has been devoted to a large number of decree-related matters, including waivers, complaints, and other decree enforcement matters, and decree interpretation issues. The workload generated by the decree is illustrated by the fact that in 1989, the Division submitted to the district court 55 substantive filings concerning decree matters. It is anticipated that this workload will continue, as many difficult competitive, technical and legal issues must be addressed. The issues that arise under the decree often present complex legal, factual, and economic questions that are critically important to the telecommunications industry.

Merger analysis and enforcement is increasingly a sophisticated economic exercise. Depending on the transaction, attorneys and economists may be called upon to define and analyze likely competitive effects in many relevant markets. Review of Hart-Scott-Rodino premerger notification filings continues to require a substantial portion of the Division's resources. The notification workload continues to rise as acquisitions increase. The Division has statutory responsibilities to review certain transactions and to prepare specific reports. Merger investigations often require the issuance of compulsory process, review of tens of thousands of documents, and interviews with dozens of customers, competitors, suppliers and others familiar with the workings of the markets involved. These duties must be performed, and deadlines must be met. In recent years prior to 1988, virtually all of the Division's merger challenges were resolved without trial. Since then, however, the Division litigated several cases through trial. To the extent that this foreshadows an increased willingness of the private bar to test the Division's conclusions in court rather than settle, increased resources are needed for this program area.

The new Sentencing Guidelines will absorb some economists' time formerly dedicated to merger impact review. It will be necessary at early stages of investigations to develop evidence relating to appropriate fines and incarceration terms so that such information can be used in negotiating plea agreements. The Sentencing Guidelines also will necessitate evidentiary hearings relating to amounts of commerce affected, gains to offenders and losses to victims resulting from the crime, and other matters affecting sentencing.

Between 1990 and 1991, the Division anticipates an evolving marketplace that will require investigations of practices arising from industry deregulation or partial deregulation. In many such industries, firms have never competed with one another. Industry restructuring may occur. A good example of this is the recent wave of airline mergers which were, in large part, a response to market forces unleashed by deregulation of the airline industry. Such mergers may be procompetitive attempts to make firms more able to compete efficiently in newly competitive markets, or they may be attempts to reduce or eliminate competition in such markets. To distinguish the two types of mergers requires careful competitive analysis. The Division assumed primary oversight responsibility for airline merger review in January 1989, when the Department of Transportation's authority lapsed. No resources were transferred to the Division with the transfer of responsibility. As other markets are deregulated, further increases in Division caseload are expected in the form of structural analysis and business reviews.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Policy analysis, legislation and training.................	60	59	$ 4,787	60	59	$ 5,053	60	59	$ 5,053	...	...	...

Long-Range Goal: To enhance the quality of enforcement activities through economic and statistical analysis, to ensure that the objective of increased market competition is vigorously promoted in new legislation and regulation, and to improve training for Division employees.

Major Objectives:

To develop sound economic bases for investigations and litigation to ensure that the enforcement program is beneficial to the economy.

To encourage the submission and passage of legislation promoting a competitive economy and discourage legislation granting unjustified exemptions from the antitrust laws or hampering their enforcement.

To enhance the litigation skills of Division attorneys and train support staff in the use of the increasingly sophisticated tools available to the legal community.

Base Program Description: Enforcement of the antitrust laws is unique in that precisely what conduct and particularly which mergers are prohibited by those laws can often be determined only after careful economic analysis. Errors in antitrust enforcement can have profound consequences for the affected industries and for the public. Thus, economists are a key adjunct to the Division's legal staff. Equally important is careful economic attention to relief issues, as evidenced by the intricacies of the recent restructuring of the Bell system. Finally, hundreds of legislative proposals must be considered by the Department each year, many having serious economic and competitive implications. The Division is the Department's sole resource for dealing with such issues and significantly contributes to Administration policy. General authority for these programs is found in 28 C.F.R. §0.40.

Accomplishments and Workload: The workload of the Policy Analysis, Legislation and Training Program is summarized in the following table:

Item	1988	1989	Estimates 1990	 1991
Congressional Appearances	5	9	15	15
White House Correspondence Referrals	93	223	250	250
Congressional Correspondence	305	318	325	325
Congressional and OMB Requests for Comments	159	368	400	400
Statutory Reports	66	53	55	55

The Division's legal and economic policy analysis staff reviews antitrust litigation proposals that present novel, complex legal issues, and provides assistance on policy, procedural and other difficult general issues that arise during consideration of criminal prosecutions, the recovery of civil damages under the antitrust laws, the False Claims Act, and business reviews. The Division is working on an effort to use the equity jurisdiction provisions contained in Section 4 of the Sherman Act to remedy organized crime-related antitrust violations. The remedies that are being developed attempt to remove organized crime permanently from the industries where Sherman Act violations have been committed and prevent it from returning.

Among the most significant policy problems is the implementation of the new Sentencing Guidelines. The method by which persons convicted of Federal crimes are sentenced has been completely changed following implementation of the U.S. Sentencing Commission's Sentencing Guidelines, applicable to crimes continuing or committed on or after November 1, 1987. The Division is just beginning to prosecute criminal antitrust conspiracies that fall under the Guidelines. Since the major goal of criminal antitrust enforcement is to impose sentences on convicted offenders that will deter the commission of future violations, the sentences that the Guidelines provide for antitrust crimes and how these Guidelines are implemented have a major impact on the success of the Division's criminal program. In cooperation with other Departmental organizations, the Division has been active recently in commenting on the Sentencing Commission's latest proposed amendments to the Guidelines and in helping to draft as yet unissued guidelines for sentencing organizational offenders, an area of central importance to the Division. Internally, the Division has prepared explanatory materials for its litigating sections that will set out policy for implementing the Guidelines; has coordinated Guidelines training programs for Division attorneys; and continues to provide advice with respect to sentencing in particular cases.

The Division's legislative program entails drafting and supporting legislative proposals to amend antitrust laws or other statutes affecting competition; analyzing proposed legislation, draft reports, and testimony prepared by other agencies; and submitting comments on hundreds of such items to other divisions, the Office of Management and Budget, and Congress. It also includes preparing testimony to be given on behalf of the Department and the Administration, and coordinating responses to correspondence or other inquiries received from Congress or forwarded from the White House. Among the most important ongoing legislative efforts of the Division is support of antitrust reform proposals. A key proposal under consideration would provide increased incentives for procompetitive joint research, development, and production by American firms to keep pace with foreign competition. Other proposals also would significantly improve and modernize the nation's antitrust laws. These include increasing maximum fines for price fixing and bid rigging by corporations; providing treble damages to the United States when it is injured by price fixing or bid rigging; modernizing the prohibitions in Section 8 of the Clayton Act concerning interlocking corporate directorates; and closing a possible anticompetitive loophole in the antitrust laws governing mergers. The Division has had primary responsibility for drafting the proposals and supporting documentation on the areas cited, coordinating with other Executive Branch agencies in formulating the Administration's position, preparing testimony for Congress on the bills, and, in conjunction with the Office of Legislative Affairs, explaining the proposals to Congressional staff members.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Competition advocacy program....	34	34	$ 2,521	34	34	$ 2,671	34	34	$ 2,671	...	...	...

Long-Range Goal: To eliminate unnecessary or counterproductive governmental interference with free market forces and seek adoption of the most competitive means of achieving overriding social purposes.

Major Objectives:

To achieve greater competition in regulated industries.

To protect and promote competition in industries which recently have been deregulated.

To stimulate competition in the delivery of professional services.

To reduce or eliminate antitrust immunities enjoyed by particular industries.

To encourage competition as new technologies are developed.

To prevent or minimize protectionist restrictions on free and fair international competition.

Base Program Description: As an advocate of competition, the Antitrust Division seeks the elimination of unnecessary regulation and adoption of the most competitive means of achieving a sound national economy through participation in proceedings before regulatory agencies and in Executive Branch deliberations relating to competition policy. Authority for these various activities is found in 28 C.F.R. §0.40; the Federal Coal Leasing Amendments Act of 1976; the Deepwater Port Act of 1974, 33 U.S.C. §1506(a); the Atomic Energy Act of 1954, 42 U.S.C. §2135; the Federal Aviation Act, 49 U.S.C. §§1378-84; the 1966 Bank Merger Act, 12 U.S.C. §1828; the Bank Holding Company Act, 12 U.S.C. §1842; the National Housing Act, 12 U.S.C. §1730a; the Outer Continental Shelf Lands Act, 43 U.S.C. §1331, et seq.

Accomplishments and Workload: The workload of the Competition Advocacy Program is summarized in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Participation in bank merger proceedings				
Total Screenings 1/..............................	1,815	1,505	1,600	1,600
Savings and Loan Letters..........................	77	126	135	135
Bank Holding Letters..............................	4	1	5	5
Merger Letters....................................	882	648	750	750

Accomplishments and Workload: The workload of the Competition Advocacy Program is continued in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Participation in regulatory agency proceedings				
Department of Transportation (DOT)...............	4	...	....	...
Federal Communications Commission (FCC)..........	1	1	....	...
Federal Energy Regulatory Commission (FERC)......	12	13	....	...
Federal Maritime Commission (FMC)................	3	2	....	...
Interstate Commerce Commission (ICC).............	13	...	....	...
Other	4	4	...	...
Total..	37	20	30 2/	30 2/

1/ Total screenings include review of bank holding company activities in addition to savings and loan letters, bank holding letters, and merger letters.

2/ At this time, the Division cannot estimate by particular agency where participation will occur.

NOTE: Workload statistics in the Competition Advocacy Program have declined since 1986 because of a steady loss of resources.

In its report on the 1989 appropriation request, the Senate Appropriations Committee requested that the Division study the competitiveness of anhydrous ammonia, natural gas liquids, and propane gas pipelines and report its findings. The Division submitted the report to the Senate Appropriations Committee on April 1, 1989.

Congress is now considering legislation that would affect the regulation of banking and related financial service markets, and the McCarran-Ferguson Act exemption from the antitrust laws for the business of insurance.

The Division endeavors to support its mission by appearing before Congress and the various Federal regulatory agencies to advocate procompetitive approaches to economic problems, and to develop proposals for restructuring legislative mandates or procedures to eliminate unnecessary or counterproductive governmental interference with free market forces. Competition is very often strongly preferable to regulation. Government regulation frequently has characteristics and effects that are as inimical to the economic well-being of Americans as private restraints of trade, particularly when such regulation has little purpose other than to shield activities by private parties that would be illegal under the antitrust laws. When market failures or overriding social goals clearly require regulation, the Division works with Congress and regulatory agencies to ensure that those failures are effectively eliminated, or other social goals successfully accomplishd, with minimum disruption to competitive processes.

The new emphasis that results when an industry is deregulated or partially deregulated typically leads to attempts to restrain that competition. The Division's goal is to be vigilant against such practices because the benefits expected from deregulation may be seriously eroded by such private restraints of competition. Several investigations of this kind of anticompetitive behavior are now pending.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and administration....	67	73	$ 4,144	67	73	$ 4,455	67	73	$ 4,455	...	...	...

Long-Range Goal: To provide effective and efficient management and policy direction of all Antitrust Division activities.

Major Objectives:

To serve as articulate and persuasive spokespersons for competition policy within the Administration, before regulatory agencies, the Congress, and the general public.

To allocate resources and control current and future workload and output of the Division to produce results beneficial to the public.

To provide effective and efficient administrative support for all Antitrust Division activities.

Base Program Description: Top management provides policy guidance, administers controls, and directs the full range of Division activities. In addition to specific case direction, Division management officials make significant contributions to overall administration and management, determining the allocation of a finite amount of resources among competing programs to meet the varied responsibilities of the Division as effectively as possible. These officials serve as the Federal Government's primary spokespersons on competition policy and its impact on legislative and governmental actions. The administrative aspect of this program encompasses a wide variety of tasks to provide the resources and tools needed by the attorneys and economists to do their jobs.

Accomplishments: In the area of litigation support, the Division has expanded both the number and the scope of investigations and cases receiving automated support through minicomputer-based systems and computer-generated graphics. During the past year, the Division continued its extensive use of statistical analysis methods in support of important program initiatives to detect and prosecute anticompetitive, conspiratorial behavior such as price fixing and bid rigging. In several instances, computer products such as graphic representations of complex pricing patterns have been introduced into evidence and have played a key part in the outcome of the case. The Division continues to expand the use of these products and enhance existing data analysis procedures to ensure accurate and timely information for its attorneys. The Division also has been successful in obtaining and processing machine-readable materials from businesses and from Federal and state bidding authorities to provide cost effective analysis of bidding, pricing and market shares. In order to provide a continued high level of support to its sections and field offices, the Division has moved aggressively in the use of its on-site minicomputer network for litigation support by implementing a software package called the Antitrust Information Retrieval System (AIRS). AIRS was designed, developed and implemented "in-house" to operate on existing Division equipment and to provide automated capabilities to the matters that comprise the bulk of the Division's workload. Additionally, the Division has made use of portable professional computers for remote trials to increase the quality of off-site support. The Division has continued to expand the availability of litigation support services to its professional staff through improvements in minicomputer-based systems as well as judicious use of mainframe software systems.

Beginning in 1989, the Division commenced purchase of Project EAGLE equipment in accordance with the Department's objective to achieve agency-wide automation compatibility. The Division has presented a plan for additional EAGLE purchases in 1990 and 1991. The proposed equipment, software, and services will provide Division users with capabilities that are complementary to the Division's system and will enable the Division to achieve compatibility with other Departmental components and the core requirements of the next generation of office automation systems as identified in the Uniform Office Automation Project.

Antitrust Division

Salaries and expenses

Priority Rankings

Base Program	
Program	Ranking
Termination and Prevention of Private Cartel Behavior	1
Federal Appellate Activity	2
Preservation of Competitive Market Structure	3
Competition Advocacy Program	4
Policy Analysis, Legislation and Training	5
Management and Administration	6

Antitrust Division
Salaries and expenses
Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Enacted	1991 Estimate
Direct (Appropriated):			
Attorneys (905)	258	184	184
Paralegal Specialists (950)	56	40	40
Other Legal and Kindred (900-998)	16	11	11
Social Sciences, Economics and Kindred (100-199)	32	23	23
General Administration, Clerical and Office Services (300-399)	170	117	117
Accounting and Budget (500-599)	10	7	7
Business and Industry Group (1100-1199)	6	4	4
Mathematics and Statistics Group (1500-1599)	1	1	1
Total	549	387	387
Washington	400	281	281
U.S. Field	149	106	106
Total	549	387	387

Category	1989 Authorized	1990 Enacted	1991 Estimate
Indirect (Non-appropriated):			
Attorneys (905)	...	119	119
Paralegal Specialists (950)	...	24	24
Other Legal and Kindred (900-998)	...	5	5
Social Sciences, Economics and Kindred (100-199)	...	19	19
General Administration, Clerical and Office Services (300-399)	...	64	64
Accounting and Budget (500-599)	...	3	3
Business and Industry Group (1100-1199)	...	2	2
Mathematics and Statistics Group (1500-1599)	...	...	...
Total	...	236	236
Washington	...	164	164
U.S. Field	...	72	72
Total	...	236	236

Antitrust Division
Salaries and expenses
Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990	387	372	$31,817
Adjustments to base:			
Mandatory increases:			
Additional compensable day	...	...	122
1990 full-year pay increase impact on 1991 1/	...	...	1,141
1991 pay increase	...	...	429
Senior Executive Service pay increase	...	...	228
Special salary rates	...	...	22
Health benefits	...	...	147
Federal Employees' Retirement System (FERS)	...	...	251
GPO printing costs	...	...	17
Employee data and payroll service	...	...	5
General pricing level adjustments	...	...	155
Total, mandatory increases	...	...	2,517
Decreases:			
Federal Employees' Compensation Act (FECA) - Unemployment Compensation	...	...	- 9
Federal Telecommunications System (FTS)	...	...	- 145
GSA Rent	...	...	- 450
Total, decreases	...	...	- 604
1991 Estimate	387	372	33,730

1/ The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this request is reflected in the following detail as a mandatory increase and built into the 1991 base.

Antitrust Division
Salaries and expenses
Justification of Adjustments to Base
(Dollars in thousands)

Amount

Mandatory increases:

1. Additional compensable day.. $122

The annual salary rate for Federal employees is based on 260 paid days. During 1991, there is one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.

2. 1990 full-year pay increase impact on 1991.. 1,141

This request provides for the full-year pay increase of 3.6 percent as contained in Section 619 of the general provisions of the Treasury, Postal Service and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $1,141,000 is the amount required for full year funding in 1991. Note: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however this request is reflected in the detail as a mandatory increase and built into the 1991 base.

3. 1991 pay increase.. 429

For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This request provides for 50 percent of the proposed four percent pay increase proposed for January 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $429,000, is the cost of the pay increase for approximately three quarters of the year assuming a 50 percent absorption.

4. Senior Executive Service pay increase.. 228

This request represents the 1991 cost of the pay increase for Senior Executive Service employees. This pay increase is to be effective in January of 1990, but will be absorbed completely for the first year. In 1991, an increase of $228,000 is necessary for this requirement. Funding for the executive level employees' pay raise is completely absorbed in both years.

5. Special salary rates.. 22

This request provides increases as authorized by law in 5 U.S.C. 5303. The Office of Personnel Management (OPM) has approved these rates for positions where retention and recruitment of qualified applicants is a problem. The Department's request represents coverage of 27 authorized special rates and five special rate surveys in progress. This request also includes an estimate for all positions, GS-2 through GS-9 and certain job specific positions GS-10 through GS-14, in the counties of Suffolk and Nassau and New York City, New York.

6. Health benefits.. 147

The Federal Employees Health Benefits Act (P.L. 93-246) provided that the government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1989, the actual contribution to health insurance increased 28 percent. The requested increase of $147,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.

Amount

7. Federal Employees' Retirement System (FERS) ... $251

This request provides for the additional funds in 1991 necessary to continue the implementation of the Federal Employees Retirement System Act of 1986, P.L. 99-335. The Act established a retirement program for Federal civilian employees and Postal Workers hired after December 31, 1983, who are covered by social security and for employees under the Civil Service Retirement System who chose to transfer to the new system. The increased retirement for 1991 is based on actual agency payments for the basic FERS annuity, Social Security and thrift savings.

8. GPO printing costs ... 17

The Government Printing Office (GPO) is currently projecting a seven percent increase over the 1990 printing costs of $243,000. An additional $17,000 will be required in 1991.

9. Employee data and payroll service ... 5

Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems, maintenance and payroll accounting, are based on the number of employee records maintained. The rate of $188.23 per record in 1990 will be raised to $199.52 per record for 1991. The change is based on anticipated mandatory increases of six percent for the operation of the Justice Employee Data Service. An increase of $5,000 will be required in 1991.

10. General pricing level adjustments ... 155

This request applies OMB pricing guidance as of December 6, 1989, to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those subobject classes where the prices that the government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1991 estimates.

Total mandatory increases ... 2,517

Decreases:

1. Federal Employees' Compensation Act (FECA) ... 9

This decrease reflects billing provided by the Department of Labor for the actual costs in 1989 of employees' unemployment compensation. The 1991 amount will be $9,000 less than the 1990 base.

2. Federal Telecommunications System (FTS) ... -145

In 1991, the General Services Administration (GSA) is to have the FTS 2000 system fully implemented. At present, GSA projections indicate costs for current FTS minute usage charges will decrease from 34 cents per minute to 18 cents per minute. The requested reduction of $145,000 from a 1990 base of $308,000 reflects this decrease.

	Amount
3. GSA Rent	-450
GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. A decrease of $450,000 reflects the adjustment necessary to meet GSA rent needs.	
Total decreases	-604
Total, adjustments to base	$1,913

Antitrust Division
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Direct (Appropriated):

Grades and salary ranges	1989 Actual Positions & Workyears	1989 Actual Amount	1990 Estimate Positions & Workyears	1990 Estimate Amount	1991 Estimate Positions & Workyears	1991 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level IV, $80,700	1		1		1		...	
ES-5, $81,400	1		1		1		...	
ES-4, $79,200	19		14		14		...	
ES-3, $77,600	2		1		1		...	
ES-2, $74,400	2		1		1		...	
ES-1, $71,200	1		1		1		...	
GS/GM-15, $59,216-76,982	186		133		133		...	
GS/GM-14, $50,342-65,444	92		65		65		...	
GS/GM-13, $42,601-55,381	66		47		47		...	
GS-12, $35,825-46,571	27		19		19		...	
GS-11, $29,891-38,855	22		16		16		...	
GS-9, $24,705-32,121	34		24		24		...	
GS-8, $22,367-29,081	17		12		12		...	
GS-7, $20,195-26,252	42		28		28		...	
GS-6, $18,174-23,628	16		11		11		...	
GS-5, $16,305-21,201	11		7		7		...	
GS-4, $14,573-18,947	7		4		4		...	
GS-3, $12,982-16,879	3		2		2		...	
1991 pay increase	...		...		...	525	...	525
Total, appropriated positions	549	$25,200	387	$18,717	387	$19,983	...	$1,266
Pay above stated annual rates	...	...	...	...	...	106	...	106
Lapse	-77	-3,586	-42	-2,778	-42	-2,885	...	-107
Savings due to lower pay scales for part of year	...	-356	...	-233	...	...	...	233
Net full-time permanent	472	21,258	345	15,706	345	17,204	...	1,498
Other than permanent:								
Part-time permanent	15	673	10	461	10	479	...	18
Temporary employment	20	591	17	816	17	848	...	32
Other part-time and intermittent employment	1	31	...	...	...	...	...	...
Other personnel compensation:								
Overtime	8	145	5	126	5	126	...	...
Other compensation	...	351	...	116	...	116	...	...
Total, workyears and personnel compensation	516	23,049	377	17,225	377	18,773	...	1,548
Average ES Salary		($74,678)		($78,500)		($88,500)		
Average GS/GM Salary		($42,857)		($46,801)		($47,565)		
Average GS/GM Grade		(12.7)		(12.7)		(12.7)		

NOTE: The figure shown for 1991 total compensation differs from the figure shown in the 1991 column of the President's Budget Appendix because amounts authorized for the 1991 pay increase and SES pay increase were added to the object class 25.0, Other Services, of the Appendix, instead of the correct compensation and benefit categories.

Antitrust Division
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Indirect (Non-appropriated):

Grades and salary ranges	1989 Actual Positions & Workyears	1989 Actual Amount	1990 Estimate Positions & Workyears	1990 Estimate Amount	1991 Estimate Positions & Workyears	1991 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level IV, $80,700	...		...		...		...	
ES-5 $81,400	...		...		...		...	
ES-4, $79,200	...		5		5		...	
ES-3, $77,600	...		1		1		...	
ES-2, $74,400	...		1		1		...	
ES-1, $71,200	...		...		...		...	
GS/GM-15, $59,216-76,982	...		53		53		...	
GS/GM-14, $50,342-65,444	...		82		82		...	
GS/GM-13, $42,601-55,381	...		19		19		...	
GS-12, $35,825-46,571	...		8		8		...	
GS-11, $29,891-38,855	...		14		14		...	
GS-9, $24,705-32,121	...		26		26		...	
GS-8, $22,367-29,081	...		5		5		...	
GS-7, $20,195-26,252	...		12		12		...	
GS-6, $18,174-23,628	...		4		4		...	
GS-5, $16,305-21,201	...		3		3		...	
GS-4, $14,573-18,947	...		2		2		...	
GS-3, $12,982-16,879	...		1		1		...	
1991 pay increase	...		...		...		...	
Total, indirect authorized pos.	...	...	236	$11,757	236	$11,831	...	$74
Pay above stated annual rates	...	...	...	...	...	...	...	...
Lapse	...	...	-48	-1,913	-11	-2,081	37	-168
Savings due to lower pay scales for part of year	...	...	...	-94	...	...	...	94
Net full-time permanent	...	...	188	9,750	225	9,750	37	...
Other than permanent:								
Part-time permanent	...	...	3	129	3	129	...	...
Temporary employment	...	...	...	...	...	...	...	...
Other part-time and intermittent employment	...	...	...	...	...	...	...	...
Other personnel compensation:								
Overtime	...	...	3	76	3	76	...	...
Other compensation	...	...	...	344	...	344	...	...
Total, workyears and personnel compensation	...	...	194	10,299	231	10,299	37	...
Average ES Salary		($74,678)		($78,500)		($88,500)		
Average GS/GM Salary		($42,857)		($46,801)		($47,565)		
Average GS/GM Grade		(12.7)		(12.7)		(12.7)		

OPENING REMARKS

Mr. SMITH. Assistant Attorney General James F. Rill will testify on behalf of the Division. Mr. Rill, since this is your first appearance before the Committee we will place your biography in the record. You came from the law firm Collier, Shannon, Rill & Scott, is that right?

Mr. RILL. That's right, Mr. Chairman.

Mr. SMITH. Where is that located?

Mr. RILL. That is in Washington, D.C.

Mr. SMITH. Were you on the side of the defendants or plaintiffs?

Mr. RILL. Both.

Mr. SMITH. Both.

[Laughter.]

Mr. SMITH. The same law firm?

Mr. RILL. In the same law firm. Different cases, though, Mr. Chairman.

[Laughter.]

Mr. SMITH. Well, what side were you usually on?

Mr. RILL. Most often on the defendants' side, but I was on the side of the plaintiffs in soft drink litigation and electrical contractor litigation, shopping cart litigation, just for example; and on the side of the defendants in other litigation.

[The biographies follow:]

JAMES F. RILL

James F. Rill became the 38th Assistant Attorney General for the Antitrust Division on June 22, 1989, following unanimous confirmation by the Senate.

Prior to becoming Assistant Attorney General, Mr. Rill was an antitrust litigator with the law firm of Collier, Shannon, Rill & Scott for 30 years. He was an associate with the firm from 1959 to 1963 and a partner from 1963 until his confirmation as Assistant Attorney General.

He has been an active member of the American Bar Association and has held many positions in the Section of Antitrust Law. Most recently, he was the Chairman of the Section of Antitrust Law (1987-1988). He also was founder and member of the ABA Section of Antitrust Law Special Committee to Study the Role of the Federal Trade Commission (1988-1989).

He was born in Evanston, Illinois on March 4, 1933. He received his A.B. degree from Dartmouth College in 1954 and his J.D. degree from Harvard Law School in 1959.

Mr. Rill and his wife, Betsy Laws Rill, have two sons. The Rills reside in Potomac, Maryland.

JUDY L. WHALLEY

Judy Whalley is the Deputy Assistant Attorney General for Litigation at the Antitrust Division, U.S. Department of Justice. She supervises all criminal and civil litigation conducted by the Division's seven field offices and its Washington litigation sections. She has spent twelve years with the Antitrust Division, previously serving as the Deputy Director of the Office of Operations, Chief of the Chicago Field Office and Assistant Chief of the Special Litigation Section. In 1981-82, she was associated with the New York firm of Donovan, Leisure, Newton & Irving. She is a graduate of King Hall School of Law at the University of California, Davis.

SUMMARY STATEMENT

Mr. SMITH. Okay. Do you have a statement?

Mr. RILL. I do have a prepared statement, Mr. Chairman, that I would like to submit.

Mr. SMITH. We will include it in the record.

Mr. Rill. Thank you. If I may summarize, I would appreciate it.

I am pleased to be here to support the 1991 budget request for the Antitrust Division. With me today is Judy Whalley, a 14-year veteran of the Antitrust Division, who is Deputy Assistant Attorney General.

I, first of all, want to express my appreciation for the support that this Committee and Congress generally have exhibited for a strong antitrust enforcement program. And I want to assure you and the Committee that the Division intends to make enforcement of the antitrust laws increasingly prominent now, in 1991 and thereafter.

After 30 years of practice in the antitrust field, it should come as no surprise that I have a deep conviction that antitrust enforcement is a cornerstone of a free market economy, and it is because of, not in spite of, the Nation's antitrust ethic that we are as competitive and innovative here and in global markets as we are.

1991 BUDGET REQUEST

For 1991 the Division is requesting a direct appropriation covering 387 positions, in the amount of $33,730,000.

There are no program increases involved in the direct appropriation, because the direct appropriation is designed to be augmented by up to $20 million in filing fees paid by parties who notify us with respect to mergers pursuant to the Hart-Scott-Rodino Act. The $20 million and $33,730,000 would provide for an augmentation of staffing to a total number of 623 positions.

However, I want to send up a red flag right now and indicate that the receipt of such fees in fiscal year 1990 indicates the strong possibility that there will be a substantial shortfall. I will get into that later. Now, if I might, I would like to highlight the enforcement program of the Division.

CRIMINAL ENFORCEMENT

Criminal enforcement continues to be a primary priority of the Antitrust Division, and we want to send out three very strong messages to those who would commit antitrust crimes—that they will be sought out, they will be vigorously prosecuted, and they will be severely punished.

Overall, in fiscal year 1989 we filed 86 criminal cases. As a result of these cases and those carrying over from prior fiscal years, the Division captured over $30 million in fines, penalties, and civil damages.

So far in fiscal year 1990 we have collected fines and entered into plea agreements, accounting already—and that is in the first five months—for $24 million. We estimate that the caseload, the convictions, and the penalties and recoveries will significantly exceed those for 1989.

Under the current budget request, Mr. Chairman, the Antitrust Division is a national profit center.

I would add that one major focus of our criminal program is an attack on bid-rigging and price-fixing in connection with Government procurement. Thirty-two of our 157 open grand jury investigations are in the Government procurement area, and a recent

Antitrust Division
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Direct (Appropriated):

Object Class	1989 Actual Workyears	1989 Actual Amount	1990 Estimate Workyears	1990 Estimate Amount	1991 Request Workyears	1991 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1 Full-time permanent................	472	$21,258	345	$15,706	345	$17,204	...	$1,498
11.3 Other than full-time permanent.....	36	1,295	27	1,277	27	1,327		50
11.5 Other personnel compensation.......	8	496	5	242	5	242		...
Total, workyears and personnel compensation....................	516	23,049	377	17,225	377	18,773	...	1,548
12 Personnel benefits.................		3,470		2,496		3,019		523
13 Benefits to former personnel.......		16		20		11		-9
21 Travel and transportation of persons..........................		1,136		903		903		...
22 Transportation of things...........		361		250		250		...
23.1 GSA rent...........................		5,248		5,463		5,013		-450
23.3 Communications, utilities and miscellaneous charges........		2,229		1,479		1,334		-145
24 Printing and reproduction..........		274		178		195		17
25 Other services.....................		6,124		2,664		3,093		429
26 Supplies and materials.............		753		542		542		...
31 Equipment..........................		2,203		597		597		...
Total obligations.............		44,863		31,817		33,730		1,913
Relation of obligations to outlays:								
Obligated balance, start-of-year...		15,848		17,126		8,559		
Obligated balance, end-of-year.....		-17,126		- 8,559		- 9,736		
Adjustments in expired accounts....		947		...		...		
Reduction of offsetting collections pursuant to P.L. 99-177..........		...		- 251		...		
Outlays.........................		44,532		40,133		32,553		

NOTE: Figures shown above in the 1991 column differ from those shown in the 1991 column of the President's 1991 Budget Appendix because amounts authorized for the 1991 pay increase and SES pay increase were added to the object-class 25.0, Other Services, of the Appendix, instead of the correct compensation and benefit categories.

Antitrust Division
Salaries and expenses
Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Indirect (Non-appropriated):

Object Class	1989 Actual		1990 Estimate		1991 Request		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1 Full-time permanent	...	...	188	$9,750	225	$9,750	37	...
11.3 Other than full-time permanent	...	...	3	129	3	129	...	...
11.5 Other personnel compensation	...	...	3	420	3	420	...	...
Total, workyears and personnel compensation	...	...	194	10,299	231	10,299	37	...
12 Personnel benefits		...		1,773		1,773	...	...
13 Benefits to former personnel		...		16		16		...
21 Travel and transportation of persons		...		549		549		...
22 Transportation of things		...		158		158		...
23.1 GSA rent		...		126		126		...
23.3 Communications, utilities and miscellaneous charges		...		1,316		1,316		...
24 Printing and reproduction		...		149		149		...
25 Other services		377		3,477		3,728		251
26 Supplies and materials		...		333		333		...
31 Equipment		...		1,553		1,553		...
Total obligations		377		19,749		20,000		251
Relation of obligations to outlays:								
Obligated balance, start-of-year								
Obligated balance, end-of-year								
Adjustments in expired accounts								
Outlays								

Antitrust Division

Salaries and expenses

Consulting and Related Services

	1989 Actual	1990 Estimate	1991 Estimate
Consulting Services..................................	$ 107	$ 75	$ 75
Management and Professional Services..................	68	75	80
Special Studies and Analyses	...	...	...
Total..	175	150	155

Consulting and related services are used in the Antitrust Division only for services which cannot be performed in-house.

The President's Commission on Privatization included in its March 1988 report to the President the recommendation, among others, that the U.S. Postal Service be reviewed for privatization potential. This recommendation is commensurate with the goal of the bipartisan Commission to review the activities of the Federal Government and identify which are more appropriately part of the private sector and which should remain governmental.

In cooperation with other government agencies, the Division is studying the options available for improving postal service through greater use of competition. At present, postal services are largely provided by the U.S. Postal Service on a monopoly basis. The types of questions to be addressed include whether the postal service, or portions of postal service (geographically or functionally defined) are what economists call "natural monopolies"; whether elements of postal service might be provided more efficiently through "contracting out" or through private competition; and how, if competitive reforms were introduced, other objectives (e.g., adequate and reliable nationwide service) could be assured. The Division was asked to serve as the focal point for the study because of the importance of competitive factors in the analysis and because of its experience with programs to foster competition in other areas of the economy.

In 1989, funds in the amount of $68,000 were obligated for outside professional services to augment the Division's expertise in the area of postal and economic reforms.

Funds identified above are dedicated to the Termination and Prevention of Private Cartel and Competition Advocacy Programs.

Antitrust Division

Reimbursable Resources

Summary of Requirements

(Dollars in thousands)

	1989 Actual			1990 Estimate			1991 Estimate			Increase/Decrease		
Financing:	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Department of Commerce	...	...	50	...	...	...	...	...	...	...	...	...
Department Of State	...	...	75	...	...	...	...	...	...	...	...	...
Small Business Administration	...	...	100	...	...	...	...	...	...	...	...	...
Litigating Divisions	...	...	152	...	...	...	...	...	...	...	...	...
Filing Fees (P.L. 101-162)	...	...	...	236	191	19,749	236	228	20,000	...	37	251
Budgetary Resources	...	...	377	236	191	19,749	236	228	20,000	...	37	251
Obligations by Program:												
Termination and prevention of private cartel behavior	...	...	152	35	17	2,644	35	35	2,678	...	18	34
Preservation of competitive market structure	...	...	75	201	174	17,105	201	193	17,322	...	19	217
Competition advocacy program	...	...	150	...	...	...	...	...	...	...	...	...
Total	...	...	377	236	191	19,749	236	228	20,000	...	37	251

Antitrust Division

Justification of Reimbursable Resources
(Dollars in thousands)

Program: Termination and prevention of private cartel behavior

Source of Reimbursement:	1989 Actual Perm. Pos.	1989 Actual WY	1989 Actual Amount	1990 Estimate Perm. Pos.	1990 Estimate WY	1990 Estimate Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Litigating Divisions	...	...	152	...	...	...	...	...	...	...	...	...
Filing Fees (P.L. 101-162)	...	...	...	35	17	2,644	35	35	2,678	...	18	34
Total	...	...	152	35	17	2,644	35	35	2,678	...	18	34

Goods or Services Provided:

The Antitrust Division provided financial analysis services to the Civil and Lands Divisions in 1989. In 1990 and 1991, resources pursuant to P.L. 101-162 will be collected from premerger notification filing fees. A portion of these fees will provide additional workyears toward the Division's highest priority program. The deterrence of price fixing and bid rigging saves American consumers hundreds of millions of dollars annually.

Justification of Increase/Decrease:

The additional $34,000 identified as an increase in 1991 will be used to offset price increases anticipated in 1991 not otherwise provided for in the estimates.

Program: Preservation of competitive market structure

Source of Reimbursement:	1989 Actual Perm. Pos.	1989 Actual WY	1989 Actual Amount	1990 Estimate Perm. Pos.	1990 Estimate WY	1990 Estimate Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Department of State	...	...	75	...	...	...	...	...	...	...	...	...
Filing Fees (P.L. 101-162)	...	...	...	201	174	17,105	201	193	17,322	...	19	217
Total	...	...	75	201	174	17,105	201	193	17,322	...	19	217

Goods or Services Provided:

The Antitrust Division provided legal advice to the Department of State regarding landing rights at Heathrow Airport in 1989. In 1990 and 1991, resources pursuant to P.L. 101-162 will be collected from premerger notification filing fees. Nearly the entire Structure Program is funded from filing fees in 1990 and 1991. Additional fees made available through earnings will be applied to meeting escalating workload in this program.

Justification of Increase/Decrease:

The additional $217,000 identified as an increase in 1991 will be used to offset price increases anticipated in 1991 not otherwise provided for in the estimates.

Program: Competition advocacy

Source of Reimbursement:	1989 Actual			1990 Estimate			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Department of Commerce	...	...	50	...	...	...	...	...	...	...	...	...
Small Business Administration	...	...	100	...	...	...	...	...	...	...	...	...
Total	...	...	150	...	...	...	...	...	...	...	...	...

Goods or Services Provided:

In cooperation with other government agencies, the Division is studying the options available for improving postal service through greater use of competition. At present, postal services are largely provided by the U.S. Postal Service on a monopoly basis. The types of questions to be addressed include whether the postal service, or portions of postal service (geographically or functionally defined) are what economists call "natural monopolies"; whether elements of postal service might be provided more efficiently through "contracting out" or through private competition; and how, if competitive reforms were introduced, other objectives (e.g., adequate and reliable nationwide service) could be assured. The Division was asked to serve as the focal point for the study because of the importance of competitive factors in the analysis and because of its experience with programs to foster competition in other areas of the economy.

Justification of Increase/Decrease:

No additional funds were made available by other government agencies for this project in 1990. The study is expected to be completed before 1991.

review of data by our economic analysis group suggests that through deterrence and similar influences such enforcement saves the taxpayer hundreds of millions of dollars annually.

Congressional support of our criminal enforcement program is vitally important. We have legislation pending that would increase the corporate maximum criminal fine to $10 million per count. That legislation has passed the House of Representatives. It is strongly endorsed by the Attorney General, and we are very hopeful that it will pass Congress in this session.

MERGER ENFORCEMENT

Merger enforcement is the other primary goal of the Antitrust Division. It is vitally important to competition at home and competitiveness in international markets that mergers that may raise prices and reduce innovation be prevented.

At the same time, of course, mergers that enhance competition and efficiency should not be unreasonably, unnecessarily barred.

Our merger docket right now is very full, and I expect it will stay that way. We currently have open 27 full-scale investigations and are litigating seven transactions. Five merger challenges have been filed already in fiscal year 1990, which is the same number that was filed in all of fiscal year 1989.

Moreover, the number of challenges actually filed in the merger field substantially understates the effect of our merger enforcement efforts. In addition to challenges, quite often when the Antitrust Division undertakes a significant in-depth investigation, the staff indicates a level of concern that causes the parties to either abandon the merger or significantly restructure it so as to remove the anticompetitive characteristics that would otherwise cause a challenge. That has happened in four instances already in fiscal year 1990.

OTHER ENFORCEMENT PRIORITIES

In addition to criminal and merger enforcement activity, we are devoting increased attention to antitrust concerns in the regulated and newly deregulated industries. For example, in the transportation field we have asked the Interstate Commerce Commission to remove a major part of the antitrust immunity from the Rocky Mountain Motor Tariff Bureau because of cartel behavior which we don't think should come under the umbrella of an antitrust exemption.

We filed a similar petition with respect to proposed collusive activity on the part of the Household Furniture Freight Forwarders Bureau.

The airline industry is attracting increased attention from the Antitrust Division. In addition to ongoing investigations in 1990 the Division challenged the acquisition of Eastern Airlines' Philadelphia gates by USAir. The parties backed away. Those gates were transferred to Midway, a new entrant into Philadelphia with a new hub possibility and enhanced competition.

In addition, in 1990, the Division moved to prevent the joint venture acquisition of DATAs computer reservations system—that is the Delta computer reservations system—by Sabre, which is the American Airlines computer reservation system. The parties backed away from that one as well.

Public concern with competition in the airline industry is very marked, and our continuing attention is something of which you can be assured.

We are also focusing antitrust scrutiny on areas of the economy that, we say erroneously, have thought that they were not covered by antitrust enforcement. The health care area, a very significant part of the economy, is one which attracts considerable attention, one in which we have recently taken criminal enforcement action for the first time in 50 years.

PREMERGER NOTIFICATION FILING FEE REVENUE

Let me turn now, if I may, to the danger we see on the horizon with respect to the shortfall of Hart-Scott-Rodino premerger filings and the effect that has on our budget.

As I indicated, we anticipated that there would be a $20 million return from the Hart-Scott-Rodino premerger filing fees, an amount that would have augumented our budget by approximately $5 million. And that was, I believe, the intent of this Committee and of your Senate counterparts.

First, the fees did not go into effect until after two months had passed in fiscal year 1990. Second, and indicative of what may be a more chronic problem, the premerger notification filings are currently running at a pace which suggests that we will not have income of more than $14 million, or a $6 million shortfall, for fiscal year 1990, and we have reason to believe, based on projections, that the problem will continue to be severe for 1991.

We are, of course, continuing to track it and will keep the Committee advised. But the prospect for our already-strained antitrust enforcement resources is certainly not favorable.

That concludes the summary of my prepared remarks, Mr. Chairman. I would be pleased to answer any questions that you or Congressman Early may have.

[Mr. Rill's prepared statement follows:]

ANTITRUST DIVISION
STATEMENT OF THE ASSISTANT ATTORNEY GENERAL
JAMES F. RILL

BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here in support of the Antitrust Division's 1991 budget request. With me today is Judy Whalley, Deputy Assistant Attorney General in the Antitrust Division.

I want first to express the Division's appreciation of the strong support of this Subcommittee and the Congress generally for our antitrust enforcement programs. The Division intends to make enforcement of the antitrust laws increasingly prominent in 1991 and thereafter. Competition is the principal driving force of the American free-market economy, and protecting competition is the key to promoting American innovation and strength in domestic and international markets. Sound enforcement of the antitrust laws is the surest means of protecting competition, to the benefit of consumers and business alike. We are committed to such enforcement, and are confident that Congress will see to it that we have the resources we need.

FY 1991 BUDGET REQUEST

For fiscal year 1991, the Division is requesting 387 positions, 372 workyears and a direct appropriation of $33,730,000. These figures include $1.9 million for mandatory cost increases in 1991. No program increases are requested. The Division's direct appropriation would be augmented by up to $20 million in fees that must be paid by parties filing premerger notifications under the Hart-Scott-Rodino Act. Experience thus far with the receipt of such fees in FY 1990, however, indicates the possibility that they may be less than projected, resulting in a revenue shortfall in the current fiscal year and perhaps in 1991. I will return to our concerns here in a moment. First, however, let me briefly describe our antitrust enforcement activities, and their intended direction for FY 1991 and beyond.

CRIMINAL ENFORCEMENT

Criminal antitrust enforcement continues to be of primary importance to the Antitrust Division, and deterrence will be its predominant theme. We are taking every measure to alert potential violators to three basic facts: Criminal antitrust violators will be sought out, vigorously prosecuted and severely punished.

The foundation of deterrence is tough and successful criminal enforcement. Our emphasis on vigorous investigation and prosecution of price fixing, bid rigging, market division and other variants of cartel behavior is well known and well documented. Overall, during FY 1989, the Division filed 86 criminal cases involving 88 corporations and 76 individuals. As a result of these cases and others carrying over from previous fiscal years, in FY 1989, the Antitrust Division captured over $30 million in fines, penalties and civil damages.

Our criminal enforcement program is wide-ranging. One major focus, however, is an intensive probe of bid rigging and price fixing in connection with government procurement. Currently, 32 of the Division's 157 open grand jury investigations are in the government procurement area. A recent review of available data suggests that such antitrust enforcement saves the federal government hundreds of millions of dollars annually.

Congress' support of our efforts to deter criminal antitrust violations and its assistance in this regard are invaluable. Important legislation is pending to raise significantly the statutory maximum fine for antitrust crimes. The House has already passed a bill that raises the statutory maximum fine in the Sherman Act to $10 million for convicted corporations. The Attorney General has strongly endorsed this legislation and we hope it will be enacted as soon as possible in the current session.

MERGER ENFORCEMENT

Enforcement of the antitrust laws against anticompetitive mergers also continues to be one of the Division's major priorities. It is vitally important both to competition at home and competitiveness in international markets that mergers that may raise prices or reduce innovation and output be prevented. At the same time, mergers that enhance competition and efficiency should not needlessly be prevented.

The Antitrust Division devotes substantial resources to preliminary screening and evaluation of the many premerger notifications filed with the Department pursuant to the requirements of the Hart-Scott-Rodino Act. During an average month, the Division reviews approximately 220 such notifications, although that number can vary substantially and occasionally taxes our ability to keep up. Coordinating our efforts with those of the FTC, we seek additional information about and thoroughly investigate any reported transaction that may threaten competition. We also investigate mergers and acquisitions that are not reportable under Hart-Scott-Rodino on our own initiative or on the basis of third-party complaints.

Our merger docket is currently quite full, and I expect it to stay that way. We are conducting full-scale investigations of the likely competitive effects of some twenty-five proposed mergers, and are litigating our challenges to seven transactions. I should also note that the number of merger cases filed does not fully reflect the benefits of our enforcement efforts. In addition to the litigated cases, the Division's policy of conducting thorough premerger investigations of suspect transactions has resulted in many potentially anticompetitive mergers being abandoned or restructured by the parties so as to eliminate competitive problems after the Division's concerns are voiced.

OTHER ENFORCEMENT PRIORITIES

The Antitrust Division will continue to devote increased attention to promoting competition in recently deregulated industries. A proactive antitrust enforcement agenda here should not, of course, be confused with intrusive government regulation. Strong antitrust enforcement, on the other hand, will benefit consumers, encourage innovation and enhance quality and output at competitive prices. A good example of a recently deregulated industry in which competition and antitrust enforcement are crucial is air transportation. Since deregulation was effectively completed in 1989, we have successfully opposed the transfer of scarce airport facilities that could have increased air carrier dominance in a "hub" airport, the transfer of international route authorities that could have substantially increased concentration in international air transportation markets, and the anticompetitive merger of two major airline computer reservation systems. Public concern with the future of competition in air transportation remains strong, and we will pay due attention to the industry accordingly.

With respect to industries that remain under government regulation, the Division intends to continue its role as a competition advocate. Despite increasing recognition of the benefits of competition generally, some industries continue to engage in anticompetitive practices possibly sanctioned by obsolete or ineffective regulatory schemes. We intend to devote increased resources to identifying such practices and advocating corrective measures.

We are also increasing our attention to areas in which antitrust scrutiny historically has been somewhat limited. Health care is a case in point: We are focusing on protecting the emergence of competitive alternative systems for the delivery of health care services--health maintenance organizations, preferred provider organizations and the like.

PREMERGER NOTIFICATION FILING FEE REVENUE

Before closing, I would like to return to the central business of the Subcommittee today--the Division's proposed FY 1991 appropriation--and the significant role that premerger notification filing fee revenue has come to play in our budgetary planning. As a result of congressional action last year, $15 million of the Division's direct funding was replaced with up to $20 million to be derived from premerger filing fees. While this calculus was intended to result in a net increase of $5 million in funds available to the Antitrust Division in FY 1990, actual fee returns are lagging behind what is necessary to support the Division's base staffing, let alone fund the staffing increases that the additional $5 million was to provide. This possible revenue shortfall is of concern for the current fiscal year, and is of concern for FY 1991. Budget authority requested for 1991 from all sources will support 623 positions and 600 workyears. However, nearly 40 percent of these positions--236 positions and 228 workyears--are dependent on the collection of premerger notification filing fees.

Filing fee returns thus far in FY 1990 are well below levels projected when the Division's 1990 appropriation was being considered. A number of factors could be at work here, although I suspect the major cause of the drop-off in filings is simply periodic merger activity fluctuation. We remain hopeful that the filing fee revenue shortfall will be temporary, and we will keep the Committee advised if collections remain low.

Mr. Chairman, this concludes my prepared remarks. I express again our appreciation of the Subcommittee's support, and would be happy to address any questions that you or the other members may have.

COMPARISON OF 1990 ESTIMATE WITH PRIOR YEAR FUNDING

Mr. **SMITH**. Well, then, you expect to have the $33 million in FY 1990, plus $14 million up to $46 million in 1991. How does that compare as a base with, say, 1989 and 1987?

Mr. **RILL**. That is comparable to the prior year's base.

Mr. **SMITH**. So it would be practically level, program level? It would be substantially level then?

Mr. **RILL**. Not accounting for cost increases.

Mr. **SMITH**. Oh, well, that would be in the base, though. So it would be less than the base, then.

Mr. **RILL**. It would be actually slightly less than the base, yes, sir.

ANTITRUST SUPPORT OF PLAINTIFFS AND DEFENDANTS

Mr. **SMITH**. Is the Antitrust Division taking sides on behalf of the defendant in any civil actions at the present time?

Mr. **RILL**. We are about to file, I think, a very important brief in a matter which should become public in the very near future on behalf of the plaintiffs. I don't know offhand of any action in which we have—well, there are two Supreme Court cases, frankly both of which I am recused on, in which the Division has filed briefs on behalf of the defendants. One is the Hasbrook case, and the other is the USA Petroleum case.

Mr. **SMITH**. So there are two, then, that the Department is still engaged in?

Mr. **RILL**. These were filed before I got there. Well, one was before I got there and one was after I got there, but I couldn't have taken a position on it anyway.

Mr. **SMITH**. Well, as you know, 95 percent of antitrust is in the civil area, by private litigants. I was shocked a few years ago to learn that the Antitrust Division was going to start taking action on behalf of defendants in civil antitrust cases. That action took place under the last administration.

We have been through a period here in Congress where I think the feeling is justified that the Antitrust Division just wasn't doing its job. On top of that for the Antitrust Division to make the announcement that they are going to act on behalf of defendants in civil cases is just more than we could stomach.

Is that policy continuing?

Mr. **RILL**. Mr. Chairman, without looking backward and making an assessment as to whether or not, in fact, that was the policy, my policy will not be to take sides. My policy will be to enter into those cases where I think there is an important issue of law. And whether it's the plaintiff or defendant on whose side we come in, if we come in, it will be on a case where there is an issue of great significance and where I think we will have something to offer. It will not be a policy to take sides with either side of an antitrust case.

In fact, I think that one area where the division in the past has come in on the side of the plaintiffs has been particularly in the area of Government, the so-called state action doctrine, which would immunize defendant's action. And there, ordinarily the Government has taken a position, I can think of the *Patrick* v. *Burgett* case, on the side of the plaintiff.

DIVISION OF WORKLOAD WITH THE FEDERAL TRADE COMMISSION

Mr. SMITH. Now, you and the FTC have sort of an agreement with regard to mergers. You look at some types of cases and they look at others to determine whether to lodge an objection.

Have you had time to review that and do you think your division of responsibility is appropriate?

Mr. RILL. I think it's worked very well. We have over time—and, of course, I am learning more about this—developed a division based primarily on experience and involvement in various industry lines. I think the current division, which works out from a resource standpoint of their doing about half the work and our doing about half the work, is coming along very efficiently, and I think it is operating in our interest and in the public interest.

Mr. SMITH. In recent years, with all these acquisitions we have had, there doesn't appear to be a clean line of responsibility. By the time some corporations acquire two or three other companies, one of them falls in your bailiwick and one in FTC's. How do you work that out?

Mr. RILL. It depends on the market where the acquisition actually takes place. I mean a company may be in, say, half a dozen markets, and another company that it is acquiring may be in, say, four or five others.

Mr. SMITH. Well, suppose one of them is in automobiles and one of them is in farm machinery.

Mr. RILL. Well, then, perhaps we would have to talk about where the major impact would be, if, for example, we had farm machinery and they had automobiles.

Mr. SMITH. What if it may be the other way around? But go ahead.

Mr. RILL. No, they have automobiles.

Mr. SMITH. Oh, do they?

Mr. RILL. They have GM, Toyota.

Mr. SMITH. All right.

Mr. RILL. And we did farm machinery. But in a case like that I think we would have to do one of two things: either collaborate on the issue or, more likely, make a quick assessment to see where the principal impact on market structure and on the consumer would likely be, and let that agency have the benefit of the other's expertise.

Mr. SMITH. How do those who are in the acquisition process know who is going to do what?

Mr. RILL. They are well counseled, Mr. Chairman. They by-and-large find out which way it's going to go.

Mr. SMITH. They find out which one of you is going to take care of the case?

Mr. RILL. Pardon?

Mr. SMITH. Can they find out rather rapidly which one of you is going to handle it?

Mr. RILL. Right. Actually, we have published a jurisdictional breakdown. It's either published or certainly generally available by industry code.

Mr. SMITH. When they see the following categories, how soon can they find out which one they're in?

Mr. RILL. Almost instantly.

Mr. SMITH. Can they?

Mr. RILL. Sure.

PREMERGER NOTIFICATION FILINGS

Mr. SMITH. Now, with regard to the shortfall in Premerger Notification Filing fees, do you think that is a fairly permanent situation, or do you think next year they're going to go up again?

Mr. RILL. I don't have a crystal ball, but I am very concerned that it could be a chronic situation.

The magnitude of the situation I don't know. Let me elaborate on that for a moment, if I may.

What appears to have happened is that those types of mergers that involve hostile takeovers, takeovers financed by high-yield bonds and LBOs, have tended to decline very substantially. That is a very publicly well-known fact. And those are a source of filings and a source of filing fees. Whether those will come back or not I have no idea. What I read in the newspapers is that this may be a more steady decline.

What has not declined, as I understand it—I have some newspaper articles here that I would like to make available to you if you would like them—are strategic mergers. Those are the mergers where the company acquires another for either competitive reasons or because they are in the same industry and there are certain synergies. They are, if you will, the real mergers. It is those mergers, of course, with which we and the FTC have the most concern.

The fact is it may well be likely that with the decline in what is called the financial or high-yield mergers there could well be an increase in the number of strategic mergers. As companies laden with debt attempt to sell off certain assets, the most likely purchasers of those assets could well be competitors looking either to, frankly, buy market share, with which we would be very concerned, or buy synergies, at which we would still want to take a close look.

So I don't see at all that the decline in filings is going to produce any decline in our workload, and I have spoken with Mrs. Steiger, Chairman Steiger on this subject. She quite agrees with me.

Certainly, our experience at the end of 1989 and throughout the first five months of fiscal year 1990 indicates an increase in our merger analysis, our merger caseload, our merger litigation responsibilities, notwithstanding the falling-off in filing fees.

I have these articles here if you would like to have them, Mr. Chairman.

FILING FEE AMOUNT

Mr. SMITH. How much is the filing fee?

Mr. RILL. The filing fee is $20,000 per filing.

Mr. SMITH. Is that considered insignificant or not?

Mr. RILL. Now I have to refer to my private practice experience. I think for virtually every merger, $20,000 in a filing fee is not going to make a determination as to whether or not the merger will go forward. I think that would be most unlikely.

Mr. **Smith**. Well, in the case of bankruptcy fees, we know that they are combining, and it has made some difference as to how many filings there are. But that is not true in this area?

Mr. **Rill**. I certainly have no way, no empirical basis for knowing, but based on my own experience in looking at the magnitude of the mergers that we're involved with and what capital is involved with the companies, that the $20,000 is not a great amount.

If I could just give one quick anecdote. We had a cascade of filings immediately before the fee took effect, which I think lost us some fees. And I can imagine that the law firms went back and said, "Gee, I saved you guys all this money." I hate to wonder what the fees of the law firms were, to speed up their filing so that they could avoid paying the fee.

[Laughter.]

Mr. **Rill**. But again, I don't have any empirical evidence to support that either.

PRIORITY OF ANTITRUST ENFORCEMENT RESOURCES

Mr. **Early**. Mr. Rill, 12, 13, 14, 15 years ago, whenever this committee reported out a bill with a recommendation for antitrust, we couldn't put in enough money. No matter what we brought to the House floor, it was always increased.

Now, with regards to antitrust, no matter what we do, that's one of the first places people want to decrease. Why?

Mr. **Rill**. I don't know the answer to that, and I certainly don't think that it is justified, purely from a financial standpoint, as I have indicated. Given the filing fee offset against direct appropriation, the Antitrust Division is a profit center. Given the studies and analyses we see, for example, in the Government procurement area, the deterrent effect of our program saves hundreds of millions of dollars for the people.

From the standpoint of philosophy, there is a strong consensus in this country—there should be a stronger consensus in this country—in favor of antitrust as a cornerstone of our economic and competitive posture here and in the world.

We do have a vigorous antitrust enforcement program and it is strongly supported by the Attorney General. Mr. Early, I can't answer your question.

BOXING MONOPOLY

Mr. **Early**. It should be the backbone of this. One industry where I think you've failed terribly is boxing. I have never seen a bigger monopoly. I have never seen any major multimillion-dollar bout where both fighters haven't had to commit to one particular trainer to produce the next ten fights whoever wins. I think it's terrible.

Mr. **Rill**. We would be pleased, very pleased, to get any information you have in that respect. I have not taken a look at it myself.

Mr. **Early**. Well, I just get it from the newspapers.

[Laughter.]

Mr. **Early**. I mean I just read that the new heavyweight champion is committed for the next three fights to a guy that represented the other guy. That is a monopoly. That's crazy.

Mr. **Rill**. I know.

HEALTH CARE INDUSTRY

Mr. **Early.** It's a little industry, but I really think it's perceived as one of the areas where we have not done anything.

In your statement you say that you are going to get into health. If there is a place you should be, it's here. Take dialysis, that's a monopoly. I mean we don't do a very good job on that.

I would like to get opinions from the professionals, like you, in antitrust. Mr. Stark from California has a bill. How we can let doctors set up their own laboratories for tests. We're going to have every patient going to have that test.

To try to get control of health costs, there is an awful lot of things I think your division can be doing.

Mr. **Rill.** A very high priority, Mr. Early.

Mr. **Early.** I appreciate it. I really think you're on the right track because we have got to reduce some of the physician costs in health care delivery. And I don't want to say anything about lawyers.

[Laughter.]

Mr. **Rill.** They are not immune.

[Laughter.]

TAX ON SECURITIES EXCHANGES

Mr. **Early.** On the mergers, again, as a layman nonlawyer, there just seem to be too many mergers. I would think, and I would like your opinion if you can—but if you can't, fine—I would think the best way we could address mergers would be to put a tax on securities transactions.

Mr. **Rill.** Purely from an antitrust standpoint that is a neutral issue. From the standpoint of competition policy, I question, without a lot of knowledge, whether that is an appropriate course of action, whether the market is better to resolve those types of nonanticompetitive transactions.

Mr. **Early.** That would simply reduce the number of transactions. There are just acres of transactions. That article that I referred to, with the U.S. Attorneys on that drug thing, there is an office several blocks on Wall Street, where there were $3 billion in transfers every minute of the day.

With mergers and all this and that, I don't know how the antitrust——

Mr. **Rill.** I guess my response to you is that I don't have the expertise to know the economic impact of what you are proposing. I have to confess in all candor of being somewhat skeptical, but not with a lot of knowledge.

I think that what is critical is that we take a look at those mergers and acquisitions which under our merger guidelines threaten a probability of either increased prices above competitive levels or decrease in supply, and take a strong position as outlined in the guidelines that will prevent those types of mergers and acquisitions from taking place. And that is very resource-intensive. It's very human resource-intensive.

IMPACT OF REDUCED FILING FEE EARNINGS

Mr. **Early**. The Chairman has more legislation with regards to securities exchanges. So he will tap me tomorrow and say, "You're wrong on that."

But I think we should look at that.

For the record, Mr. Rill, with regard to that delay or that shortfall in the fees that were supposed to roll over, tell us what effect that will have and whether the chairman should do something to compensate for that?

Mr. **Rill**. We are working on that right now. We will certainly put into the record our projections, what that will mean in terms of workforce. And we are analyzing now what kind of assistance we may need.

Mr. **Early**. It's just a two-month delay. That would be one-sixth of it.

Mr. **Rill**. Yes, but it's not——

Mr. **Early**. That would be three.

Mr. **Rill**. It's not just that, Mr. Early. It's also that the pace of filings that have taken place in January and February is well below past trends. And if you continue those trends, we're going to come in well below the $20 million that Congress intended us and the FTC to have to enforce the antitrust laws.

[The information follows:]

Filing Fee Shortfall

Current trends and market conditions indicate that Antitrust Division revenues from Hart-Scott-Rodino ((HSR) premerger notification filing fees will be substantially below the 1990 and 1991 authorized levels of $20 million for each receiving agency. Since the fee became effective in late November 1989, HSR-reportable transactions have dropped to less than 65 percent of the historical rate. At this current rate, the Division expects to obtain only about $14 million in fees in 1990, and only $17 million in fees in 1991.

A number of factors are no doubt influencing the downward trend in merger transactions. Most prominent among them is the failure in the so-called "junk bond" market, which financed many merger transactions since 1984, and trends in financial markets and the economy generally. These factors have substantially reduced the number of takeovers, leveraged buy-outs (LBO's) or other "financial" mergers. Such mergers are bonafide merger transactions under the law, but they do not form the core of transactions which require labor-intensive review by the Division. "Strategic" mergers, generally horizontal mergers that combine competitors, and thus require intensive, time-consuming investigation by the Division, continue with no discernible abatement. Merger investigations by the Division have increased rather than decreased this year. In short, the Division's workload has not declined, but its financing has.

The Division will have funding available in 1990 of less than $46 million as compared to authorized funding of almost $52 million, a shortfall of $6 million. With such reduced resources, the Division will be unable to fund even base staffing, and certainly not the vital increase in staffing intended by the Congress from the net filing fee increase. The same holds for 1991 unless trends improve or other measures are taken.

Effective antitrust enforcement results in direct financial savings to the consumer and enhances the American economy in general. Costs of the Division's operations are insignificant in comparison to these benefits. If resource levels are inadequate, however, the result is a decline in deterrence and a downward spiral in economic returns.

PREMERGER CHALLENGES

Mr. **Early**. And one final thing, Mr. Chairman.

In your statement with regards to the 25 actions that you've got going now in which you are going to—

Mr. RILL. Actually 27 now, since this was prepared.

Mr. EARLY. Do you try to settle those out of court?

Mr. RILL. Yes. We like to see a transaction adjusted, the parties taking the offending assets out of the transaction so that there is a good reason for the transaction to go forward and it is not anticompetitive. We can have our concerns and the concerns of the public resolved, and the plaintiffs can go about their business.

Mr. EARLY. Well, as a bureaucrat, I really think you're susceptible to being criticized. But this member thinks that everyone wins if you can settle out of court. The more you can settle, the more criticism you get but probably the more good you do.

Mr. RILL. We have had some good, I think, procompetitive results through settlement without the need for litigation, just during my time, which is only, what, eight months. And I expect they will announce possibly tomorrow it will even be better.

Mr. EARLY. That's good.

Thank you, Mr. Chairman.

MERGER WORKLOAD

Mr. SMITH. Well, does this reduction of filings result in a reduction of the workload?

Mr. RILL. No, it really doesn't, Mr. Chairman.

Mr. SMITH. Why?

Mr. RILL. For the reasons I was trying to explain. The filings that are down, the mergers that are down, are the mergers that are not the horizontal mergers for the most part, the very most part, with which we would have the most concern from the standpoint of antitrust.

They are the LBOs, the high-yield bond mergers, the takeovers in different markets. We look at them, we get filings on them, but they're not what the economists would call the strategic mergers, which typically involve competitors. And those mergers are not down. And this is why I have the articles that will support that position. Those mergers are not down. Our workload in evaluating those mergers continues to be up, up at a recent high, high level for recent years, and our caseload is up.

Mr. SMITH. Do you think this directly involves junk bonds and their attractiveness then?

Mr. RILL. Yes, I do. I think that's exactly why it's down. I am not an economist. I am certainly not an investment banker. But from what I read and what I see, that is exactly the reason. That isn't going to do a bit to reduce our workload.

RENEWED ANTITRUST ENFORCEMENT

Mr. SMITH. Well, as Mr. Early said, there was a time when we had no trouble at all getting support for the Antitrust Division. Then for a few years we got the feeling we were just wasting our money, especially when we heard they might even be spending it against the interests of antitrust. When I say antitrust, I always think of small business.

Our ability to get the funds you need depends somewhat upon eliminating the impression that antitrust is not doing its job. I hope that we are seeing a different attitude so that we can help you get the funds you need. That depends on whether or not we are confident that you really intend to follow the law the way it was for 30 or 40 years, instead of using the agency to try to prevent antitrust actions.

Mr. **Rill**. Mr. Chairman, I am totally committed to the fact that there cannot be a strong Government antitrust enforcement program that is not backed up by a strong case enforcement effort.

Mr. **Smith**. Okay. Thank you.

ARTICLES ON CURRENT MERGER TRENDS

Mr. **Early**. Mr. Chairman?

Mr. **Smith**. Yes?

Mr. **Early**. Mr. Rill, would you just leave those articles with the staff, and I would like to have a copy for my own staff?

[The information follows:]

Wall Street Journal
1/2/90

Takeover Drought Parches Dealmakers

By Randall Smith
And David B. Hilder
Staff Reporters of The Wall Street Journal

NEW YORK–The slowdown in takeovers is shaking up the ranks of Wall Street's top dealmakers.

In recent months, jitters in the junk-bond market have put the brakes on many corporate mergers and buy-outs, particularly those sparked by corporate raiders or other hostile bidders who depend on the high-risk, high-yield bonds for financing. The total of announced takeover deals in 1989 plunged 33% to $388.3 billion from $576.6 billion in 1988.

And that, in turn, is cutting most into business at major investment banks–especially **Goldman, Sachs & Co.**– that frequently defend targets of hostile bids and at the firm that specialized in advising attackers, **Drexel Burnham Lambert Inc.**

Goldman, which ranked as Wall Street's No. 1 merger adviser for the past three years, tumbled to No. 4 in 1989, according to Securities Data Co. Goldman advises a long list of blue-chip corporate clients on all strategic decisions including how to respond to a bid, but won't advise hostile bidders.

To be sure, Goldman still ranks first in dollar volume of announced deals that haven't closed and second in number of deals closed in 1989. Goldman acknowledges the drop-off in raids has reduced its defensive assignments, but says those account for between 10% and 20% of its merger work.

Mike Overlock, head of mergers at Goldman, notes that the firm advised on some of the year's most important strategic corporate acquisitions, including two giant pharmaceutical mergers and Ford Motor Co.'s acquisition of Jaguar PLC.

At the same time, investment banks **Morgan Stanley & Co.**, **First Boston Corp.** and **Wasserstein, Perella & Co.**–which can "create" deals by aggressively hawking takeover ideas to a wide range of corporate clients–are seeing their market share hold up best.

Wall Street's Biggest Dealmakers

Dollar volume of transactions completed in 1989

1989 RANK	FIRM	(In billions)	1988 RANK
1	Morgan Stanley*	$114.0	3
2	First Boston	82.3	2
3	Wasserstein Perella*	79.7	6
4	Goldman Sachs	66.5	1
5	Drexel Burnham Lambert*	61.4	8
6	Merrill Lynch*	56.4	9
7	Lazard Freres*	53.5	7
8	Shearson Lehman Hutton	52.7	4
9	Dillon Read*	52.2	11
10	Salomon Brothers	31.6	5

*Advised on RJR Nabisco buy-out, $30.6 billion

Source: Securities Data Corp., Newark, N.J.

Those three firms topped the rankings of Wall Street's most active merger advisers compiled by Securities Data, based on the dollar volume of transactions completed in 1989. The count includes recapitalizations and stock buy-backs. It doesn't include deals that are pending. For deals that have more than one adviser, each firm gets credit for the full amount)

Merger advice has been one of the most lucrative businesses left on Wall Street, which is in the midst of a financial slump, including a slowdown in stock and bond trading, the near-collapse of the junk-bond market and a dearth of new securities issues.

The near-collapse of the junk-bond market in 1989, plus a drastic falloff in leveraged buy-outs and other debt-financed acquisitions, spells particular long-term trouble for Drexel, whose mergers advisory practice in the mid-1980s depended largely on takeovers financed by junk bonds.

However, Drexel's 1989 standing held up thanks to several deals announced in 1988 but which closed in 1989, including the record buy-out of RJR Nabisco Inc. The RJR deal counts for $30.6 billion in the standings because $5 billion in existing RJR debt had to be refinanced.

The big winner of 1989 was Morgan Stanley, which captured the top ranking after three straight years of placing third behind Goldman Sachs and First Boston. Merger boutique Wasserstein Perella finished third, up from No. 6 in 1988, although 1989 was only the firm's first full year of operation.

First Boston did surprisingly well, despite its having lost superstar merger adviser Bruce Wasserstein and its not being involved in the mammoth RJR Nabisco deal.

Here is a snapshot of some of Wall Street's top merger makers:

MORGAN STANLEY. The firm hasn't been held back by having three strong-willed merger chieftains: mergers head Eric Gleacher, investment banking leader Joseph Fogg and buy-out boss Donald Brennan.

Rivals attribute this year's results to Mr. Gleacher, a Lehman Brothers alumnus and aggressive former Marine who built

Please Turn to Page C19, Column 1

Deal Drought Parches Merger Firms, Some More Than Others

Continued From Page C1

up the Morgan Stanley merger department. The firm scored one high-profile coup by gaining a big price for the sale of RJR Nabisco's European food businesses.

This year's other big deals for Morgan Stanley included advising Squibb Corp. in its $12 billion merger with Bristol-Meyers Co., **Grand Metropolitan** PLC on its hostile takeover of Pillsbury Co. and **Hospital Corp. of America** on a $4.9 billion buyout.

FIRST BOSTON. The merger department built by Bruce Wasserstein and Joseph Perella has thrived without them, in part by living off the robust book of business they accumulated. The question is how much can those who stayed, led by investment banking chief James Maher and mergers co-head Robert Cotter, expand on that franchise—or will it erode?

First Boston's strategy has been to deploy its vast legions to execute more deals of all shapes and sizes. The CS **First Boston Group** unit has also written big checks for bridge loans to make deals, but stubbed its toe when client **Ohio Mattress** Co. couldn't refinance its bridge by selling junk bonds. First Boston's big holding of the junk bonds of client **Campeau** Corp. also hurt the firm and may curb its appetite for taking financial risks to get business.

WASSERSTEIN PERELLA. Bruce Wasserstein is one of the few mergers advisers who can, it is said, make a deal happen with the force of his personality. His only peer in that ability: Felix Rohatyn of **Lazard Freres** & Co.

Greatest hits of 1989: Wasserstein Perella advised Beecham Group PLC in a merger giving Beecham control of SmithKline Beckman Corp., advised little-known Alfred Checchi in his takeover of Northwest Airlines parent **NWA** Inc. and advised Time Inc. on its merger with Warner Communications Inc., which was upheld in court despite a challenge by Paramount.

Criticism has arisen about the outcome of some Wasserstein deals, notably Campeau Corp.'s acquisition of Federated Department Stores Inc. that left Campeau mired in serious financial difficulty.

GOLDMAN SACHS. Even rivals say Goldman emphasizes the overall relationship with corporate clients over strong-arming them into specific deals.

Many investment bankers chalk up Goldman's 1989 drop-off to sheer chance; others say it reflects a less aggressive, less opportunistic orientation.

On the other hand, Goldman has a number of sizable defense assignments under way that could turn into big deals this year: **Chevron** Corp., **B.A.T Industries** PLC, **Campbell Soup** Co. and American Airlines parent **AMR** Corp.

MERRILL LYNCH. The firm was a pioneer in making bridge loans and selling junk bonds to win merger assignments. Those abilities got Merrill into both the RJR Nabisco deal and the Time-Warner merger. Although the importance of such merchant banking seems to be waning on Wall Street, Merrill still stands to benefit from Drexel's decline. Just last week, Merrill was picked by RJR Nabisco as lead manager of a big bond offering.

SHEARSON LEHMAN HUTTON. Its ranking was boosted by counting the $12.1 billion merger of Bristol-Myers and Squibb. Shearson played only a limited role in that deal; Shearson got the job mainly thanks to the presence on the Bristol-Myers board of James Robinson, chairman of Shearson parent **American Express** Co. Goldman received a $25 million fee for its work as Bristol-Myers adviser; Shearson got $3.5 million.

On the other hand, Shearson was handicapped by backing the losing bidder in the RJR Nabisco deal. And Shearson's biggest deal of 1989, the Time-Warner merger, won't close for a few days and thus isn't included in the standings. One clear coup for Shearson: its role in helping advise Ford, a longtime Goldman client, on buying the financial-services unit of Paramount Communications Inc.

WALL STREET JOURNAL
12/1/89

Takeover Explosion of the Mid-1980s Is Being Overtaken by Junk-Bond Woes

By Randall Smith
Staff Reporter of The Wall Street Journal

For the first time since the mid-1980s heyday of mergers and acquisitions, the takeover business is experiencing a slowdown.

While that slowdown spells problems on Wall Street, which still has enough investment bankers to handle a merger boom, it also means corporate managements can breathe a little easier about the threat of hostile takeovers.

Through mid-November, the dollar volume of deals announced this year has declined 25% from 1988, according to Securities Data Corp. Although the 1989 volume of deals completed is actually up from 1988, that's because several big deals such as RJR Nabisco Inc. were negotiated in 1988 but closed this year.

Investment bankers attribute the slowdown, which many expect to continue, to weakness bordering on collapse in the market for high-risk, high-yield junk bonds. That has both undercut the threat of a takeover by corporate raiders, and removed a key source of financing for leveraged buy-outs.

Mike Overlock, head of mergers and acquisitions at Goldman, Sachs & Co., says that in the current climate, "There will be a handful of bigger deals, but I don't think the number of billion-dollar deals will keep pace with the past several years."

Mr. Overlock added: "A major portion of merger activity has been stimulated by the financial buyer. But the credibility of corporate raiders has been reduced because they can't do the takeovers if they can't raise the money. And if they can't, then the companies don't have to restructure."

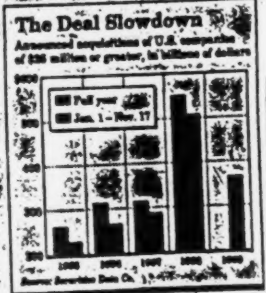
While 1989's volume of announced deals remains second only to 1988, investment bankers say this year's slowdown didn't really take hold until the second half, when financial woes emerged at such heavily indebted companies as Integrated Resources Inc. and Campeau Corp., and the proposed leveraged buy-out of United Airlines parent UAL Corp. collapsed.

In the past several weeks, some companies like Circle K Corp. and Cineplex Odeon Corp. that had put themselves on the auction block came up with no bids. On Tuesday alone, Phillips Industries Inc. accepted a reduced buy-out bid, Cyclops Industries Inc. scotched a sale of its specialty steel unit, and Crowthers McCall Pattern Inc. said a proposed buyer defaulted on the purchase.

Michael Goldberg, co-head of mergers at First Boston Corp., notes that the weakening economy and jittery conditions in the market for bank loans have also contributed to the slower pace of deals. Some say the bank syndication market is suffering some of the same ills as the junk-bond market.

To be sure, deals in which one company bids for or buys another have continued largely unchecked, partly because they don't usually need as much financing. Since the UAL collapse, Georgia-Pacific Corp. has bid for Great Northern Nekoosa Corp. to create the largest U.S. forest products company, and Ford Motor Corp. agreed to buy Jaguar PLC.

But leveraged buy-outs have fallen off sharply this year since the record $25 billion RJR Nabisco buy-out closed in April. LBOs have accounted for 25% or more of all deals in the past few years, by some estimates. And the absence of financial players has a much wider impact on the entire deal market, according to Jack Levy, co-head of mergers and acquisitions at Merrill Lynch & Co.


The Deal Slowdown

Announced acquisitions of U.S. companies of $35 million or greater, in billions of dollars

Source: Securities Data Co.

Mr. Levy estimates that financial entities—from raiders to buy-out funds—played a role in nearly half of all industrial-sector transactions in the recent past. Buy-out funds were particularly active in serving as buyers for divestitures, he says. Even with an expected increase in international merger activity, Mr. Levy estimates that the retreat of financial bidders may reduce the level of deal activity as much as 25%.

The silver lining in the deal slowdown is that some of the same conditions responsible are contributing to a surge in workouts and restructurings of ailing companies. "As the demand for mergers and securities work lessens, corporate restructurings will be a major target of opportunity for lawyers and bankers," says Lewis Kaden, a partner at the law firm of Davis Polk & Wardwell.

Some investment bankers believe conditions may not improve soon. Charles Nathan, co-head of mergers at Salomon Brothers Inc., says the junk-bond market "will never be the same." And if the economy continues to weaken, he warns, "you'll see the mergers and acquisitions market continue to contract."

Others are more hopeful.

J. Tomilson Hill, co-head of investment banking at Shearson Lehman Hutton Inc., believes the deal business can continue at the pace of the past two years on the strength of international mergers activity as well as companies' buying each other as specific industries consolidate. That's already happening, he notes, in consumer products, pharmaceuticals, chemicals, and forest products. Mr. Hill also believes that the junk-bond market could recover faster than some people think for more creditworthy companies.

First Boston's Mr. Goldberg says, "Every year that I've been in this business, I've thought that next year couldn't be as good, and every year I've managed to be surprised. I think that's still possible."

CLOSING REMARKS

Mr. **Early**. Thank you, Mr. Chairman.

Mr. **Smith**. Thank you.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

Antitrust Division

Total Available Resources for 1991

QUESTION: For the record, provide a chart, similar to the one on page 7 of your justification, based on total available resources including the $20 million in fees.

ANSWER: A chart of the Division's 1991 budget request, which includes total resources available to the Division, is provided on the following page.

Resources Required in 1991 to Maintain 1989 Base

QUESTION: What is the total of appropriations and fees required in 1991 to maintain the staffing levels and workload of the Division in 1989?

ANSWER: In 1989, the Antitrust Division was authorized 549 positions and 531 workyears. In order to staff to that level in 1991, the Division would require resources totalling $48,730,000.

WEDNESDAY, MARCH 14, 1990.

FEDERAL BUREAU OF INVESTIGATION

WITNESSES

WILLIAM S. SESSIONS, DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

JAY A. BRIXEY, INSPECTOR-DEPUTY ASSISTANT DIRECTOR, FINANCIAL MANAGEMENT BRANCH, ADMINISTRATIVE SERVICES DIVISION

WILLIAM M. BAKER, ASSISTANT DIRECTOR, CRIMINAL INVESTIGATIVE DIVISION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

1991 BUDGET REQUEST

Mr. SMITH. This morning we have the Federal Bureau of Investigation. The request for fiscal year 1991 is for $1,640,237,000.

We will insert the budget justifications submitted in support of this request into the record at this point.

[The justifications follow:]

Antitrust Division

Salaries and expenses

Summary of Resources by Program
(Dollars in thousands)

Activity/Program	1989 as Enacted			1989 Actual			1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/ Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm Pos.	WY	Amt.
Enforcement of antitrust and kindred laws:																		
Federal appellate activity	16	16	$1,192	16	15	$1,190	16	16	$1,247	16	16	$1,318	16	16	$1,318	...	...	...
Termination and prevention of private cartel behavior	215	195	16,384	215	188	16,357	245	207	19,630	245	225	20,672	245	225	20,672	...	...	...
Preservation of competitive market structure	157	154	16,477	157	147	16,450	201	174	19,237	201	193	19,561	201	193	19,561	...	...	...
Policy analysis, legislation and training	60	59	4,586	60	56	4,578	60	59	4,787	60	59	5,053	60	59	5,053	...	...	...
Competition advocacy program	34	34	2,402	34	32	2,398	34	34	2,521	34	34	2,671	34	34	2,671	...	...	...
Management and administration	67	73	3,896	67	70	3,890	67	73	4,144	67	73	4,455	67	73	4,455	...	...	...
Total	549	531	44,937	549	508	44,863	623	563	51,566	623	600	53,730	623	600	53,730	...	...	...
Reimbursable Workyears:																		
FTE		...			...			...			...			...			...	
Total Workyears		531			508			563			600			600			...	
Other Workyears:																		
Holiday		...			...			...			...			...			...	
Overtime		8			8			5			5			5			...	
Other Reimbursable Workyears:																		
Overtime		...			...			3			3			3			...	
Total compensable workyears		539			516			571			608			608			...	

Department of Justice

Federal Bureau of Investigation

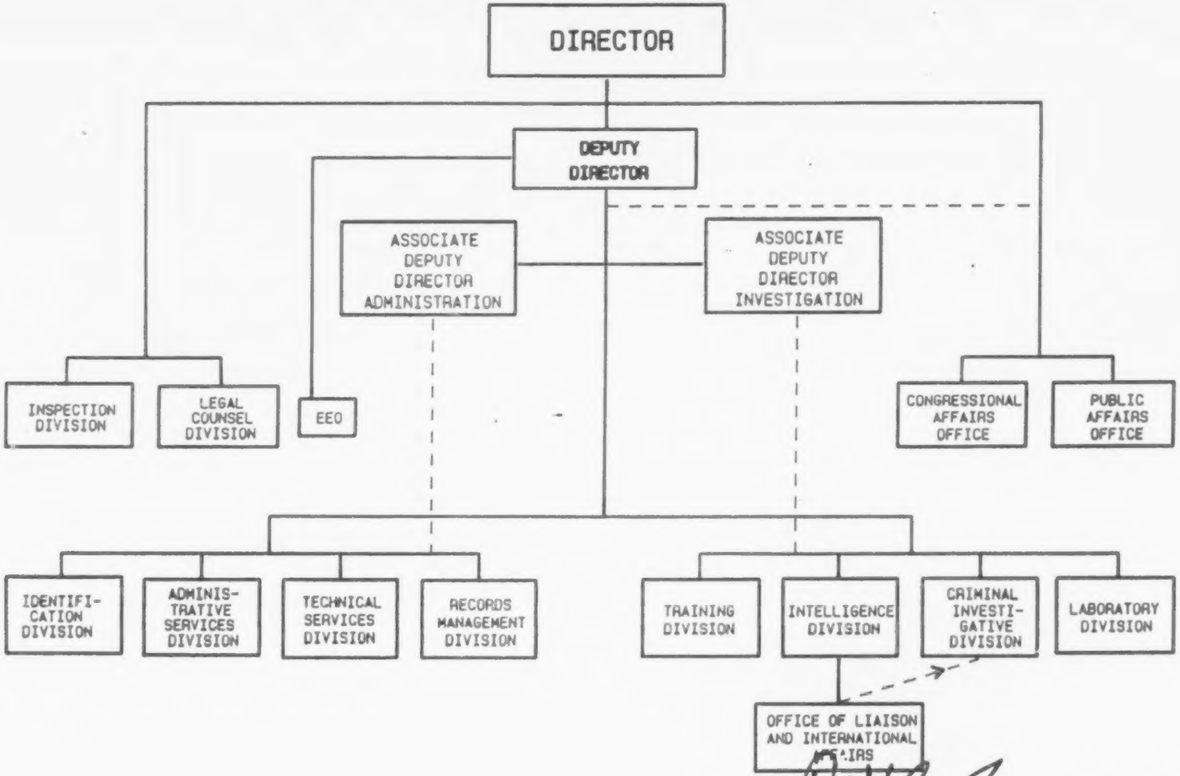
Estimates for Fiscal Year 1991

Table of Contents

Page Number

Organizational Chart.......... 1
Summary Statement.......... 2
Justification of Proposed Changes in Appropriation Language.......... 7
Crosswalk of 1990 Changes.......... 9
Summary of Requirements.......... 11
Summary of Resources by Program.......... 12
Justification of Program and Performance:
  Criminal, Security and Other Investigations.......... 14
  Investigative Support.......... 55
  State and Local Assistance.......... 83
  Program Direction.......... 98
Justification of Multi-Activity Program Changes.......... 107
Financial Analyses - Program Changes.......... 109
Status of Construction and Summary of New Facilities Requirements.......... 114
Status of Congressionally Requested Studies, Reports and Evaluations.......... 115
Priority Rankings.......... 116
Detail of Permanent Positions by Category.......... 117
Schedule of Motor Vehicles.......... 118
Schedule of Aircraft.......... 120
Summary of Change.......... 121
Justification of Adjustments to Base.......... 123
Summary of Requirements by Grade and Object Class.......... 128
Consulting and Related Services.......... 132

FEDERAL BUREAU OF INVESTIGATION


DIRECTOR
DEPUTY DIRECTOR
ASSOCIATE DEPUTY DIRECTOR ADMINISTRATION
ASSOCIATE DEPUTY DIRECTOR INVESTIGATION
INSPECTION DIVISION
LEGAL COUNSEL DIVISION
EEO
CONGRESSIONAL AFFAIRS OFFICE
PUBLIC AFFAIRS OFFICE
IDENTIFI-CATION DIVISION
ADMINIS-TRATIVE SERVICES DIVISION
TECHNICAL SERVICES DIVISION
RECORDS MANAGEMENT DIVISION
TRAINING DIVISION
INTELLIGENCE DIVISION
CRIMINAL INVESTI-GATIVE DIVISION
LABORATORY DIVISION
OFFICE OF LIAISON AND INTERNATIONAL AFFAIRS

Approved: Dick Thornburgh Date: June 30, 1989
DICK THORNBURGH
Attorney General

Federal Bureau of Investigation

Salaries and Expenses

Summary Statement

Fiscal Year 1991

The Federal Bureau of Investigation is requesting a total $1,640,237,000, 21,643 permanent positions and 20,214 workyears. This is a change of $140,793,000 over the 1990 enacted level with a net program increase of $39,837,000 in funding and 545 positions above the 1991 base level and a program decrease of 383 workyears below the 1991 base level. This budget request includes a total of 9,714 special agent positions (9,108 workyears) and 11,929 support positions (11,106 workyears). Three major resource initiatives consisting of Fraud, National Drug Strategy (NDS) and Organized Criminal Activity are proposed. The distribution of the increases into these major initiatives underscores the direction, an emphasis, the FBI recognizes it must sustain to fulfill its mission and purpose.

As the Federal Government's only general purpose investigative arm, the FBI has a responsibility to the American citizenry. This responsibility is stated meaningfully by the FBI's Strategic Plan which outlines the FBI's overall mission as follows: "Uphold the Law - To investigate violations of Federal Criminal Law, to protect the United States from hostile intelligence efforts, to provide assistance to other Federal, state, and local law enforcement agencies, and to perform these responsibilities in a manner that is faithful to the Constitution and the laws of the United States." Without the appropriate levels of funding, the American public would be denied an FBI capable of addressing the increasing crisis of criminal activity. In turn, the inability of the FBI to confront aggressively violent criminal activity due to funding shortfalls would diminish the quality of life expected by the American public.

Fraud Initiative:

The ongoing defense procurement fraud, financial institution fraud, and the commodity trading fraud investigations have demonstrated massive problems of criminal misconduct in the defense contracting, savings and loan, and financial investment industries which threaten to destabilize our economy and undermine legitimate financial activities. To continue the inroads made by the FBI in these investigative areas, a total of 265 special agent and 200 support positions and $13,057,000 is requested for the Fraud Initiative.

Within the Governmental Fraud Program, the FBI initiates investigations aimed at uncovering systemic fraud. Penetrating the core elements of fraudulent schemes operating in government funded programs requires the use of sophisticated, personnel intensive investigative techniques such as undercover operations, electronic surveillance, and physical surveillance. The requested enhancement of 120 special agent and 78 general support permanent positions would enable the FBI to continue targeting investigative resources against criminal activities within the defense procurement process which are responsible for draining millions of dollars from the Federal Government and result in defective or substandard military hardware.

The incidence of bank failures continues to be a serious problem for the financial community and the nation. Presently, there is no indication that the upward trend in bank fraud and embezzlement matters will abate. At stake are not only billions of dollars of economic resources, but also the public's trust in America's banking system. Notwithstanding the current allocation of investigative resources to the bank fraud and embezzlement crime problem, the FBI is unable to fully address the existing workload. As part of the Fraud Initiative, the FBI is requesting 42 special agent and 26 general support permanent positions for the Bank Fraud and Embezzlement Program.

Complex fraudulent financial schemes involving advance fee schemes, boiler rooms, telemarketing, and ponzi schemes have become increasingly mobile and technically sophisticated, and the number of victims and amounts of loss have risen accordingly. Security fraud cases involving insider trading, stock manipulation, and commodities fraud have rocked the foundation of the security industry. The victims of these schemes and frauds have invested and lost life savings, retirement income, and daily sustenance. The FBI continues to address these criminal violations through traditional and more modern investigative techniques; however, the magnitude of these frauds continues to grow. The requested increase of 70 special agent and 46 general support permanent positions for financial fraud cases would address current case backlogs.

Recent amendments to the bankruptcy law have liberalized the bankruptcy process and increased substantially the caseload on the courts. This has severely strained the ability of the bankruptcy courts to monitor individual cases and enhanced the opportunity for fraud. As the only law enforcement agency responsible for bankruptcy fraud, the FBI concentrates primarily on major "bust-out" operations, leaving significant individual fraud cases unaddressed. The requested increase of 17 special agent and 11 general support positions would enable the FBI to investigate major individual bankruptcy fraud matters.

Other resources required for the implementation of the FBI's Fraud Initiative include 30 technicians who specialize in accounting and provide significant analysis of financial records to Special Agents and Assistant United States Attorneys. Nonpersonnel requirements include enhancements of $803,000 for cooperative witness payments, technical equipment, and supplies.

In order to recruit and hire new personnel for the Fraud Initiative, the FBI would require an increase of 16 special agent and 9 support positions for dedication to applicant matters.

National Drug Strategy (NDS) Initiative:

One of the most significant crime problems facing the nation for 1991 continues to be drugs. To address this national epidemic, the FBI will maintain its concentration on the identification and investigation of major, multinational drug trafficking organizations which control predominant shares of the United States drug market, and the seizure and forfeiture of their assets as articulated in the NDS. The request within the NDS Initiative includes increases of 114 Special Agent and 282 support positions, 134 workyears, and $27,290,000. Also within this initiative are reimbursable workyears to support the Organized Crime Drug Enforcement Task Forces. These increases are consistent with the policies and strategies as set forth by the Office of National Drug Coordination Policy.

The primary investigative component of this initiative is the Drugs Program which is requesting an additional 94 special agent and 239 support positions and $19,168,000 in funding. Presently, the FBI is addressing about 40 percent of the identified major drug trafficking groups operating in the United States. The additional resources within the Drugs Program would enable the FBI to enhance its intelligence base to identify still other Colombian/South American, Mexican, European/Italian, and Asian drug trafficking organizations and address fully those already identified. For 1989, the FBI has seized record numbers of assets through the employment of Forfeiture and Asset Seizure Teams (FASTs). The additional resources within the Drugs Program are required for personnel to continue the successes experienced with the use of the FASTs which are directed within the mandates of the NDS, towards the forfeiture and seizure of drug assets.

Several categories of support positions are included in the request for the Drugs Program to provide necessary investigative support. Of the 239 support permanent positions requested for the Drugs Program, 61 positions are for general clerical functions and the remaining 178 positions are for special support functions. These positions include: language specialists, Title III monitors, intelligence analysts, Forfeiture Specialists, Laboratory Technicians and electronics support. These special support positions review and interpret raw drug intelligence, identify and develop relevant correlations, and detect logical courses of action for drug investigators, relieving the Special Agent from assignments which do not require "investigator status" such as Title III monitoring, language translation, transcription review, and forfeiture tracking. Enhanced funding requested for the Drugs Program includes $9,447,000 for undercover operations and informant payments. Successful drug investigations are highly dependent upon information developed as a result of sensitive undercover operations and/or the participation of a suitable informant or cooperating witness. The nonpersonnel enhancements requested in the NDS Initiative would strengthen the ability of field Special Agents to commence undercover operations and enlist the participation of informants.

To allow for full implementation of the FBI's NDS Initiative, additional resources for related programs are required. In the Forensic Services - Federal Program, 18 special support personnel positions, and seven general support positions would be required. In the Technical Field Support and Equipment Program, five special support positions and $6,320,000 in nonpersonnel funding would be needed. Enhancements requested would augment physical and electronic surveillance capabilities of the FBI to more adequately support court-approved electronic surveillances. Drug investigations are increasingly dependent upon the collection of audio and video evidence to assist in the focusing of investigative resources, identifying participants in criminal activities, and aiding in the prosecution of subjects. Also, in order to bring sufficient personnel into FBI employment to support the NDS Initiative and replace attrition the NDS Initiative would require an augmentation to the Applicant Program of 20 special agents and 13 support personnel.

Organized Criminal Activity Initiative:

For the Organized Criminal Activity Initiative, resources totaling 122 special agent and 302 support positions and $41,405,000 are required. The resources for the Organized Criminal Activity Initiative would enable the FBI to continue recent investigative successes in eliminating the criminal influence and reducing the threat to American society of emerging organized crime groups. Without the requested resources in the Organized Criminal Activity Initiative, the FBI would not be able to attain investigative objectives and accomplish its mission by removing the control and influence the La Cosa Nostra (LCN) exerts over the labor community, eliminating the growing Asian Organized Crime problem, and preventing random violent street gang activities in this country.

To effectively address the problems relating to emerging Asian Organized Crime and violent street gang problems, the FBI requires 78 special agent and 94 support positions. Once considered solely as street gangs operating in a limited geographical vicinity, Asian gangs have become an interstate menace involved in murder, gambling, loansharking, prostitution, extortion, smuggling, public corruption, and labor racketeering. Recent investigations have identified criminal associations between the LCN and Asian Organized Crime groups. Based on the size of the Asian Organized Crime groups and alliances established with the LCN, the FBI cannot delay initiating investigations into illegal Asian Organized Crime activities. The Asian Organized Crime groups are primarily comprised of bilingual or non-English speaking members with strong ethnic ties as a requisite for membership. This presents extreme difficulties in penetrating Asian Organized Crime organizations and makes the FBI more reliant upon electronic surveillance techniques to develop viable cases. The requested enhancements would provide adequate special agent strength which would enable the FBI to address Asian Organized Crime groups through the "Enterprise Theory of Investigation" and civil RICO investigative techniques. This request would also provide for qualified language specialists familiar with the culture and dialects for translation purposes, and sufficient support to buttress investigative endeavors.

In addition to efforts against Asian Organized Crime. 44 special agent, 208 general and special support positions and $32,138,000 in nonpersonnel funding are being requested to address increasing demands relating to other FBI investigative program activity. Enhanced personnel resources are necessary to expand and improve proactive investigative efforts designed to counter organized criminal activity, insure the integrity of the FBI's investigative activities, and enhance specialized investigative support in the area of surveillance and monitoring. Nonpersonnel funding increases are necessary to provide new and replacement technical support equipment associated with these investigative, surveillance, and information processing efforts. A critical purpose of the increased technical support equipment is to enhance court-approved electronic surveillance efforts which are crucial for discovering the scope and intent of organized criminal activity, identifying other subjects involved in such activity, or to maximize benefits derived from the application of other sophisticated investigative techniques such as undercover operations. This in turn allows the FBI to fully develop cases and meet strict evidentiary requirements so that increasingly complex matters relating to organized criminal activity can be brought to successful conclusion. Other operational surveillance techniques, such as physical and aerial surveillance, are also used in these investigations and would be enhanced to provide a comprehensive investigative support posture.

In addition to enhancements for these initiatives, changes to the 1991 base include a program decrease of $27,322,000, 227 special agent positions (227 workyears) and 287 support positions (287 workyears) that, in part, were taken in order to reach targeted deficit reduction levels established by the Administration. Further, these changes include a program decrease of $869,000 and 146 support positions (146 workyears) reflecting economies anticipated to be derived from the privatization of certain support functions to be studied pursuant to the Office of Management and Budget (OMB) Circular A-76. A final program decrease has resulted from the passage of P.L. 101-173 which allows administratively uncontrollable overtime (AUO) to be paid at a rate of 25 percent of base pay of a position in lieu of the previous method, which based this payment on the salary of a GS-10 step 1. As a result of this measure the FBI's cost for AUO will increase by $41,979,000. This expense would be met in part by permanent base reductions of $9,069,000 in equipment funding, $2,000,000 in travel and confidential expenditures resources, and $2,655,000 for Department of Justice nonreimbursable applicant investigations.

Federal Bureau of Investigation

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and Expenses

For expenses necessary for detection, investigation, and prosecution of crimes against the
United States; including purchase for police-type use of not to exceed [2,730] passenger 3,136
motor vehicles of which [1,850] will be for replacement only, without regard to the general 2,125
purchase price limitation for the current fiscal year, and hire of passenger motor vehicles;
acquisition, lease, maintenance and operation of aircraft; and not to exceed $70,000 to meet
unforeseen emergencies of a confidential character, to be expended under the direction of
the Attorney General, and to be accounted for solely on his certificate; [$1,423,340,000] $1,640,237,000
of which not to exceed $25,000,000 for automated data processing and telecommunications and
$1,000,000 for undercover operations shall remain available until September 30, [1991]; of 1992
which not to exceed $8,000,000 for research and development related to investigative
activities [and $15,000,000 for construction of Pod B of the Engineering Research Facility
at Quantico, Virginia,] shall remain available until expended; and of which not to exceed
$500,000 is authorized to be made available for making payments or advances for expenses
arising out of contractual or reimbursable agreements with State and local law enforcement
agencies while engaged in cooperative activities related to terrorism and drug investigations: Provided, That the Director of the Federal Bureau of Investigation may establish and
collect fees to process fingerprint identification records and name checks for non-criminal
justice, non-law enforcement employment and licensing purposes and for certain employees of
private sector contractors with classified Government contracts, and notwithstanding the
provisions of 31 U.S.C. 3302, credit such fees to this appropriation to be used for salaries
and other expenses incurred in providing these services, and that the Director of the
Federal Bureau of Investigation may establish such fees at a level to include an additional
amount to establish a fund to remain available until expended to defray expenses for the
automation of fingerprint identification services and associated costs: Provided further,
That not to exceed $30,000 shall be available for official reception and representation
expenses: Provided further, That not to exceed $7,500,000 for a language translation system
shall remain available until expended : Provided further, That $10,000,000 previously provided for the relocation of the FBI's Washington Metropolitan Field Office be made available for activities funded by this appropriation

Federal Bureau of Investigation

Salaries and expenses

Justification of Proposed Changes in Appropriation Language (continued)

(28 U.S.C. 524; 531-37; 18 U.S.C. 3052, 3059; 22 U.S.C. 4081, 4084; Department of Justice Appropriations Act, 1990; additional authorizing legislation to be proposed.)

[For carrying out efforts at National Drug Control, $97,045,000, to strengthen Federal domestic law enforcement at the local level to include additional agents, support personnel and equipment, improvements in automation and telecommunications, and enhancements in field equipment and training.]

(Department of Transportation and Related Agencies Appropriations Act, 1990.)

Explanation of changes

1. The FBI is requesting changes in the ceiling on the total number of motor vehicles to be purchased from 2,730 to 3,136 and the number of replacement-only motor vehicle purchases from 1,850 to 2,125. These changes are necessary to allow for the purchase of new automobiles and subsequent replacement of automobiles for the personnel requested in this submission.

2. Language is also being requested to allow the FBI to use no-year funding originally provided in 1984 for the relocation of the Washington Metropolitan Field Office. This request is made in conjunction with a requested base level decrease of $10 million to the FBI's Other Field Programs.

Federal Bureau of Investigation
Salaries and expenses
Crosswalk of 1990 Changes
(Dollars in thousands)

Activity/Program	1990 President's Budget Request			Congressional Appropriation Actions on 1990 Request			1990 Sequestration			Reprogrammings			1990 Appropriation Anticipated		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
1. Criminal, Security, and Other Investigations															
a. Other Field Programs	9,046	8,740	$627,606	---	---	---	(164)	(164)	($8,648)	10	10	$236	8,892	8,586	$619,194
b. Organized Crime	1,735	1,625	112,119	---	---	---	(32)	(32)	(1,541)	(4)	(4)	(236)	1,699	1,589	110,342
c. Drugs	1,367	1,349	91,319	---	---	---	(27)	(27)	(1,273)	37	37	1,120	1,377	1,359	91,166
d. White-Collar Crime	3,500	3,408	221,727	---	---	---	(65)	(65)	(3,054)	---	---	---	3,435	3,343	218,673
Subtotal	15,648	15,122	1,052,771	---	---	---	(288)	(288)	(14,516)	43	43	1,120	15,403	14,877	1,039,375
2. Investigative Support															
a. Training	387	373	$26,531	---	---	---	(8)	(8)	($365)	---	---	($1)	379	365	$26,165
b. Forensic Services-Federal	333	318	23,529	---	---	---	(7)	(7)	(337)	20	20	956	346	331	24,148
c. Automated Data Processing and Telecommunications	557	525	144,760	---	---	---	(19)	(19)	(1,994)	---	---	---	538	506	142,766
d. Records Management	1,019	978	46,215	(184)	(184)	(5,893)	(17)	(17)	(550)	(13)	(13)	(412)	805	764	39,360
e. Technical Field Support and Equipment	211	180	64,920	---	---	---	(3)	(3)	(894)	---	---	---	208	177	64,026
Subtotal	2,507	2,374	305,935	(184)	(184)	(5,893)	(54)	(54)	(4,140)	7	7	543	2,276	2,143	296,445
3. State and Local Assistance															
a. General Law Enforcement Training	278	270	$19,882	---	---	---	(5)	(5)	($276)	---	---	---	273	265	$19,606
b. Forensic Services-Non-federal	111	108	9,675	---	---	---	(3)	(3)	(133)	---	---	---	108	105	9,542
c. Fingerprint Identification	2,265	2,277	89,417	(659)	(659)	(24,107)	(30)	(30)	(882)	(39)	(39)	(1,290)	1,537	1,549	63,138
d. Criminal Justice Data and Statistics Services	197	192	9,791	---	---	---	(5)	(5)	(135)	(1)	(1)	(1)	191	186	9,655
Subtotal	2,851	2,847	128,765	(659)	(659)	(24,107)	(43)	(43)	(1,424)	(40)	(40)	(1,291)	2,109	2,105	101,943
4. Program Direction															
a. Executive Direction and Control	523	504	$28,339	---	---	---	(10)	(10)	($397)	14	14	$482	527	508	$28,424
b. Administrative Services	859	842	34,575	---	---	---	(14)	(14)	(464)	(24)	(24)	(854)	821	804	33,257
Subtotal	1,382	1,346	62,914	---	---	---	(24)	(24)	(861)	(10)	(10)	(372)	1,348	1,312	61,681
TOTAL	22,388	21,689	$1,550,385	(843)	(843)	($30,000)	(409)	(409)	($20,941)	---	---	---	21,136	20,437	$1,499,444

Congressional Appropriation Actions. Implementation of the user fee program for the processing of name checks for non-criminal justice, non-law enforcement employment and licensing purposes for certain employees of the private sector, in accordance with Public Law 101-162, resulted in the transfer of 184 positions and $5,893,000 within the Records Management program and 659 positions and $24,107,000 within the Fingerprint Identification program from direct to reimbursable funding in 1990.

1990 Sequestration. As provided by the Omnibus Budget Reconciliation Act of 1989, the FBI was sequestered an amount of $20,941,000, which included personnel reductions of 409 positions and workyears.

Reprogrammings. In order to address increased and/or new workload in several areas, such as deoxyribonucleic acid (DNA) and drug record examinations in the FBI Laboratory and the establishment of a Drug Demand Reduction Program coordination team at FBI Headquarters, and to implement certain functional reorganizations of personnel resources and activities, such as the Office of Equal Employment Opportunity and National Applicant Recruiting, the FBI submitted a reprogramming proposal, as shown. The narrative accompanying the notification stated that the reprogrammings were of a permanent nature and would carry into 1991 and beyond.

Federal Bureau of Investigation
Salaries and Expenses
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990	21,545	20,846	$1,423,340
Department of Transportation Appropriations Act, 1990 - Emergency Drug Funding	...	...	97,045
1990 as enacted	21,545	20,846	1,520,385
1990 Sequestration	-409	-409	-20,941
1990 appropriation anticipated	21,136	20,437	1,499,444
Mandatory increases	...	198	137,759
Decreases	-38	-38	-36,803
1991 Base	21,098	20,597	$1,600,400

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by Budget Acitivity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Criminal, Security, and Other Investigations	15,403	14,877	$1,039,375	15,365	14,982	$1,121,047	16,088	14,879	$1,167,726	723	-103	$46,679
2. Investigative Support	2,276	2,143	296,445	2,276	2,198	303,625	2,256	2,081	300,434	-20	-117	-3,191
3. State and Local Assistance	2,109	2,105	101,943	2,109	2,105	110,099	1,975	1,971	107,606	-134	-134	-2,493
4. Program Direction	1,348	1,312	61,681	1,348	1,312	65,629	1,324	1,283	64,471	-24	-29	-1,158
Total	21,136	20,437	$1,499,444	21,098	20,597	$1,600,400	21,643	20,214	$1,640,237	545	-383	$39,837

	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
EOY Employment:												
Full-time permanent	20,467	2,162	22,629	19,731	2,162	21,893	19,348	2,458	21,806	-383	296	-87
Other	255	...	255	255	...	255	255	...	255	...	...	...
	20,722	2,162	22,884	19,986	2,162	22,148	19,603	2,458	22,061	-383	296	-87

Federal Bureau of Investigation
Salaries and expenses
Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1989 as Enacted			1989 Actual			1990 Appropriaton Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal, Security and Other Investigations:																		
1FBI99 Other Field Programs..............	8,478	8,337	$554,182	8,542	8,344	$551,383	8,892	8,586	$619,194	8,892	8,689	$669,078	8,782	8,425	$685,541	-110	-264	$16,463
1FBI02 Organized Crime...	1,489	1,424	90,874	1,468	1,427	97,961	1,699	1,589	110,342	1,699	1,629	126,241	1,824	1,626	128,128	125	-3	1,887
1FBI50 Drugs.............	2,475	2,324	160,811	2,434	2,356	150,967	1,377	1,359	91,166	1,339	1,321	88,341	1,672	1,440	107,509	333	119	19,168
1FBI03 White-Collar Crime..................	3,077	2,984	196,598	3,066	2,993	180,031	3,435	3,343	219,673	3,435	3,343	237,387	3,810	3,388	246,548	375	45	9,161
Subtotal..............	15,519	15,069	1,002,465	15,510	15,120	980,342	15,403	14,877	1,039,375	15,365	14,982	1,121,047	16,088	14,879	1,167,726	723	-103	46,679
Investigative Support:																		
1FBI12 Training..........	381	370	25,549	409	451	28,102	379	365	26,165	379	368	27,843	386	362	27,565	7	-6	-278
1FBI13 Forensic Services - Federal.....	344	333	22,516	344	337	22,421	346	331	24,148	346	335	26,209	361	331	27,325	15	-4	1,116
1FBI16 ADP/T.............	516	506	118,853	516	608	124,964	538	506	142,746	538	526	145,733	517	501	140,218	-21	-25	-5,515
1FBI16 Records Management.............	1,206	1,313	48,368	1,208	1,302	53,670	805	764	39,360	805	764	42,346	783	685	43,205	-22	-79	859
1FBI17 TFS&E.............	154	151	41,594	154	168	57,178	208	177	64,026	208	205	61,494	209	202	62,121	1	-3	627
Subtotal...............	2,601	2,671	256,880	2,631	2,866	286,335	2,276	2,143	296,445	2,276	2,198	303,625	2,256	2,081	300,434	-20	-117	-3,191

Federal Bureau of Investigation

Salaries and expenses

Summary of Resources by Program (continued)

(Dollars in thousands)

Estimates by Program	1989 As Enacted			1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and Local Assistance:																		
4FB101 General Law Enforcement Training....	278	270	$19,739	257	244	13,186	273	265	$19,608	273	265	$21,437	265	257	$21,040	-8	-8	-$397
4FB102 Forensic Services - Non-Federal..............	111	108	8,900	111	143	9,922	108	105	9,542	108	105	10,194	104	101	10,001	-4	-4	-193
4FB103 Fingerprint Identification..........	2,302	2,314	81,783	2,344	2,269	76,302	1,537	1,549	63,138	1,537	1,549	68,238	1,421	1,433	66,530	-116	-116	-1,708
4FB104 Criminal Justice Data and Statistics Services................	196	191	9,239	196	179	8,228	191	186	9,655	191	186	10,230	185	180	10,035	-6	-6	-195
Subtotal................	2,887	2,883	119,661	2,908	2,835	107,638	2,109	2,105	101,943	2,109	2,105	110,099	1,975	1,971	107,606	-134	-134	-2,493
Program Direction:																		
6FB101 Executive Direction and Control.............	537	518	27,382	537	527	32,040	527	508	28,424	527	508	30,804	522	498	30,319	-5	-10	-$485
6FB102 Administrative Services................	877	860	32,712	835	857	52,200	821	804	33,257	821	804	34,825	802	785	34,152	-19	-19	-673
Subtotal................	1,414	1,378	60,094	1,372	1,384	84,240	1,348	1,312	61,681	1,348	1,312	65,629	1,324	1,283	64,471	-24	-29	-1,158
Total.....................	22,421	22,001	$1,439,100	22,421	22,205	$1,458,555	21,136	20,437	$1,499,444	21,098	20,597	$1,600,400	21,643	20,214	$1,640,237	545	-383	$39,837
Reimbursable workyears....	...	1,107	...	...	763	...	...	2,574	...	...	2,574	...	...	2,870	...	...	296	...
Total workyears...........	...	23,108	...	...	22,968	...	...	23,011	...	...	23,171	...	...	23,084	...	...	-87	...
Other Workyears:																		
Holiday.................	...	81	...	...	89	...	...	89	...	...	89	...	...	89	...	...	...	...
Overtime:																		
AUO.....................	...	2,238	...	...	2,116	...	...	2,165	...	...	2,168	...	...	2,173	...	...	5	...
Other...................	...	452	...	...	367	...	...	278	...	...	348	...	...	348	...	...	...	
Total compensable wys...	...	25,879	...	...	25,540	...	...	25,543	...	...	25,776	...	...	25,694	...	...	-82	...

Federal Bureau of Investigation

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary

(Dollars in thousands)

Activity: Criminal, Security, and Other Investigations	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Other Field Programs..............	8,892	8,586	$619,194	8,892	8,689	$669,078	8,782	8,425	$685,541	-110	-264	$16,463
Organized Crime..................	1,699	1,589	110,342	1,699	1,629	126,241	1,824	1,626	128,128	125	- 3	1,887
Drugs............................	1,377	1,359	91,166	1,339	1,321	88,341	1,672	1,440	107,509	333	119	19,168
White-Collar Crime...............	3,435	3,343	218,673	3,435	3,343	237,387	3,810	3,388	246,548	375	45	9,161
Total..........................	15,403	14,877	$1,039,375	15,365	14,982	$1,121,047	16,088	14,879	$1,167,726	723	-103	$46,679

This budget activity includes resources for managing and coordinating field investigations and resources for all field investigative operations for the FBI. The operations are conducted out of 56 field offices and approximately 400 resident agencies located throughout the United States and Puerto Rico. Field offices are responsible for all investigations included the national priority law enforcement areas of organized crime, drugs, white-collar crime, terrorism, and foreign counterintelligence. This activity also includes the field legal attaches program. In 1990, the Organized Crime Drug Enforcement resources in the Drugs program were transferred to the Organized Crime Drug Enforcement appropriation. In 1991, the FBI is requesting reimbursement of $2,655,000 to conduct background investigations of Departmental Applicants and has transferred 80 positions (80 workyears) and referenced funding from direct to reimbursable funding.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Other Field Programs........	8,892	8,586	$619,194	8,892	8,689	$669,078	8,782	8,425	$685,541	-110	-264	$16,463

Long Range Goal: To reduce the incidence of violent criminal activities; to conduct appropriate applicant, civil rights, and fugitive investigations as directed by law and the Attorney General; and to counter within the United States the hostile activities of foreign intelligence officers, agents, and terrorists.

Major Objectives:

To conduct thorough, penetrative, and timely background investigations on candidates for appointment by and employment with the White House, the Department of Justice (DOJ), the Judiciary, certain Congressional committees, and other Federal agencies.

To investigate alleged violations of various civil rights statutes based upon self-initiation or at the request of the Attorney General, and to provide the results of civil rights investigations to the DOJ for prosecutive action or referral to another Federal agency for appropriate action.

To develop an automated capability to analyze civil rights investigations; to identify patterns of violence involving individuals, groups, or local police agencies; and to analyze the nature of civil rights complaints to determine patterns of discrimination directed against individuals.

To recruit, process, investigate, and appoint the most qualified individuals available to meet the internal staffing needs of the FBI.

To investigate threats and assaults against, kidnapings, or assassination of the President, Vice President, executive department heads, members of Congress, Justices of the Supreme Court, other designated Government officials, and Federal law enforcement officers; kidnapings; incidents involving the sexual exploitation of children; extortions; crimes aboard aircraft; tampering with consumer products; thefts of controlled substances; and other violent crimes under FBI jurisdiction.

To locate and apprehend State and local fugitives charged under the Fugitive Felon Act with unlawful flight to avoid arrest, prosecution, or confinement for violent crimes, substantial property thefts, and drug violations; major Federal drug offenders sought by the Drug Enforcement Administration; and United States military personnel who desert under aggravated circumstances. To assist local police agencies in criminal investigations and to conduct investigations of fraud and related activities in connection with identification documents without a disclaimer.

To achieve the maximum bank robbery solution rate; solve major bank burglaries and larcenies, as well as violations of the Hobbs Act involving armored carriers; and to achieve the most effective prosecutive results possible by providing an immediate investigative response to reported offenses and conducting logical investigations to identify, locate, and apprehend individuals responsible for these crimes.

To identify, investigate, and develop cases for prosecution against individuals and organized groups involved in thefts from interstate shipments or engaged in the interstate transportation of stolen property, motor vehicle theft rings, the fencing of stolen goods, and other Federal property crimes.

To investigate serious violent and major property crimes committed on Indian reservations, in Federal correctional institutions, and on United States Government property; thefts of United States property, funds, weapons, and explosives from Federal buildings, supply depots, and installations; and Selective Service Act matters. To investigate impersonation situations where a person assumes or pretends to be an officer or employee acting under the authority of the United States.

To fully identify and collect evidence on terrorist organizations/individuals and to successfully prosecute them for their criminal acts.

To expand existing liaison internationally as necessary to support the increasing investigative responsibilities of the FBI.

Base Program Description: Other Field Programs is the FBI's largest investigative program in the Criminal, Security, and Other Investigations budget activity. The program consists of several diverse investigative activities, which include violent crimes, interstate theft crimes, crimes on Indian and Government reservations, State and local fugitives, civil rights matters, and other security-related investigations.

Violent crime offenses involve the threatened or actual injury or loss of life against an individual including threats against the President, Vice President, executive department heads, Supreme Court Justices, members of Congress; bank robberies; kidnapings of U.S. citizens; extortions; tampering with consumer products; theft of controlled substances; aircraft hijackings; and matters involving the sexual exploitation of children under the White Slave Traffic Act and Interstate Transportation of Obscene Matters Statutes. The Interstate Theft subprogram investigates thefts from interstate shipments, interstate transportation of stolen property including motor vehicles, individuals and groups engaged in such activities, and fences dealing in stolen property. The Government Reservation Crimes subprogram investigates serious violent and major property crimes committed on Indian reservations and United States Government property, including major Department of Defense installations, civilian agency buildings and sites, national parks and recreational areas, and Federal penitentiaries. The Fugitive subprogram assists State and local law enforcement agencies seeking felons who cross state boundaries to avoid prosecution or confinement.

The Violent Crimes and Major Offenders (VCMO) portion of Other Field Programs encompasses four major subprograms as follows: Violent Crimes, Interstate Theft, Government Reservations Crimes, and Fugitive Investigations. The investigation of a wide range of violent personal and property crimes is conducted, in addition to assisting State and local law enforcement agencies in locating and apprehending dangerous criminals. For 1990, the VCMO program received an increase of 64 agent workyears (128 positions) and 39 general support workyears (78 positions) in support of the Comprehensive Crime Control Act of 1989. This enhancement enables the FBI to address the growing number of violent crimes in the United States. Additionally, this increase improves the FBI's cooperative efforts by providing greater assistance to State and local law enforcement agencies on Unlawful Flight to Avoid Prosecution, kidnaping, and bank robbery matters.

The Civil Rights, Applicant, and Other Investigations portion of Other Field Programs addresses several distinct areas, including background investigations, civil rights investigations, and FBI employment matters. The suitability and trustworthiness of candidates for appointment to executive and managerial positions and candidates for appointment to positions which are sensitive within the Federal Government are matters of fundamental concern for all citizens. The prompt and thorough investigation of alleged violations of Federal civil rights statutes is basic to constitutional guarantees. In addition, the citizenry expects the FBI to attract and employ the most qualified applicants for its internal staffing needs.

The FBI is the lead Federal law enforcement agency in the U.S. Government's fight against terrorism. The FBI defines terrorism as "the unlawful use of force or violence against persons or property to intimidate or coerce a government, the civilian population, or any segment thereof in furtherance of political or social objectives." The FBI's Counterterrorism Program (CTP) is responsible for preventing, interdicting, and investigating the violent acts and criminal manifestations of terrorist groups and individuals involved in terrorism and related activities. CTP activities can be broken down into two primary areas: 1) the prevention of terrorism through the timely development of intelligence which is augmented by an exchange of information between the FBI and other agencies, both in this country and abroad, and 2) reaction to terrorist activity through criminal and counterterrorism investigations and other law enforcement options designed to arrest and convict terrorist groups' members and individuals who perpetrate other criminal acts related to terrorist activities. The reactive portion of the program utilizes all the resources and techniques of the FBI to investigate and prosecute terrorists who commit violent and illegal acts in the United States. These criminal acts include violations of the Protection of Foreign Officials, Neutrality, and Extortion statutes, as well as firearms and explosives laws. Additionally, as a result of the passage of the Comprehensive Crime Control Act of 1984 (Title 18 U.S.C., Section 1203, entitled, "Hostage Taking"), the FBI acquired jurisdiction and authority to act, where appropriate, in certain terrorist related hostage situations both within the United States and internationally. Further, as a result of the passage of the Omnibus Diplomatic Security and Anti-Terrorism Act of 1986 (Title 18 U.S.C., Section 2331, entitled, "Terrorist Acts Abroad Against U.S. Nationals"), the FBI has acquired jurisdiction and authority to act, where appropriate, in any acts of terrorist violence inflicted upon a national of the United States while outside the United States.

Accomplishments and Workload: The statistical accomplishments and workload estimates for Other Field programs is presented in the following tables and narrative:

Civil Rights, Applicant, and Other Investigations

			Estimates	
Investigative Matters Received	1988	1989	1990	1991
Reimbursable Applicant (except DEA)	13,576	10,786	11,000	11,000
Nonreimbursable Applicant (except FBI Applicant)	25,660	32,470	30,000	30,000
Other Investigations	3,659	5,760	4,700	4,700
Civil Rights	6,176	5,951	6,000	6,500
Total Investigative Matters Received	49,071	54,967	51,700	52,200
Investigative Matters Completed				
Reimbursable Applicant (except DEA)	14,525	10,578	10,370	10,250
Nonreimbursable Applicant (except FBI Applicant)	25,977	30,542	30,000	29,500
Other Investigations	3,341	4,731	4,630	4,500
Civil Rights	6,107	5,553	5,250	5,000
Total Investigative Matters Completed	49,950	51,404	50,250	49,250
FBI Applicant Matters Received				
Support Applicant Cases Opened	4,308	1,705	3,500	3,200
Special Agent Entrance Tests Received	9,348	8,163	9,000	9,500
Special Agent Interviews Received	2,609	2,775	5,200	3,800
DEA Applications Received (Reimbursable)	899	370	700	700
Specialty Support Applicants Processed	567	396	1,200	1,075
FBI Applicant Matters Handled				
Support Applicant Cases Processed	4,308	1,705	3,500	3,200
Support Employees Hired	2,020	1,074	1,425	1,280
Specialty Applicant Cases Processed	567	396	1,200	1,075
Specialty Support Applicants Hired	276	118	480	430
DEA Applicant Cases Processed (Reimbursable)	899	370	700	700
Special Agent Entrance Tests Processed	9,348	8,163	9,000	9,500
Special Agent Interviews Processed	2,609	2,775	5,200	3,800
Special Agent Language Tests Processed	1,216	1,135	1,800	1,800
Special Agent Accounting Tests Processed	733	766	900	900
Special Agent Background Investigations Ordered	1,254	1,638	2,090	1,500
Special Agents Hired	635	353	836	599

Violent Crimes and Major Offenders

	1988	1989	Estimates 1990	Estimates 1991
Total Investigative Matters Pending From Previous Year	27,843	28,456	29,393	27,923
Total Investigative Matters Received	68,669	66,168	67,500	64,125
Total Investigative Matters	96,512	94,624	96,893	92,048
Pending End of Year	28,456	29,393	30,368	28,849
Total Investigative Matters Completed	68,056	65,231	66,525	63,199
Complaints Filed	3,961	4,693	4,787	4,548
Information Filed	561	696	710	675
Indictments Returned	3,737	3,786	3,862	3,669
Subjects Arrested	3,860	4,682	4,776	4,537
Subjects Located	999	1,166	1,189	1,130
Recoveries/Restitutions/Forfeitures ($000)	$520,297	$475,032	$484,533	$460,306
Potential Economic Loss Prevented ($000)	$1,843,632	$1,774,468	$1,809,957	$1,719,459
Federal Convictions/Pretrial Diversions	3,860	3,982	4,062	3,859
Federal Fines	$17,562	$16,109	$16,753	$15,915
Local Convictions/Pretrial Diversions	1,118	1,093	1,115	1,059
Local Fines ($000)	$565	$754	$769	$731
Local Arrests	1,119	992	1,012	961

Counterterrorism

	1988	1989	Estimates 1990	Estimates 1991
Terrorist Incidents	7	4	4	4
Persons Killed	...	...	...	...
Persons Injured	...	...	...	...
Title III Requests	3	4	5	4
Initial	1	1	1	1
Renewal	2	3	4	3
Workload Outputs				
Arrests and Locates	85	83	100	91
Convictions	97	45	54	49
Terrorism Incidents Prevented	3	7	7	7
Potential Economic Loss Prevented ($000)	$1,022	$44	$50	$50

Since 1984 and through December 14, 1989, 177 identification orders were issued and 144 identification order fugitives were arrested. Identification orders are flyers that are issued on the most important fugitive cases involving individuals who have been convicted or charged with crimes of a more serious nature having considerable public interest. In this same time period, 42 hard-core and violence prone criminals in the "Ten Most Wanted Fugitives Program" were apprehended. To solve the violent and property crime investigations and apprehend the criminals responsible, the use of identification orders, the "Top Ten Program," and other investigative techniques, such as undercover operations; Title III and other electronic surveillance techniques; extensive physical surveillances; the National Bank Robbery Album; and the Fugitive Bank Robber Program are consistently and effectively utilized.

The following case examples are but a few of literally hundreds of successful investigations conducted in which FBI expertise, sophisticated investigative techniques, and close liaison and association with other Federal, State, and local law enforcement agencies were used:

A joint undercover operation (UCO) with the Defense Criminal Investigative Service (DCIS) was initiated to investigate the theft of stolen U.S. military jet engines. In March, 1989, an airman, assigned to the Security Squadron, Hill Air Force Base, Ogden, Utah, approached an undercover agent and discussed his plans to steal and sell an F-16 jet engine, a fully functioning guided missile and a communication vehicle. After numerous discussions with the airman, the undercover agent finalized the purchase arrangements for the jet engines. At approximately 10:30 p.m., July 2, 1989, an associate of the airman arrived from inside the base driving an Air Force tow vehicle behind which were three F-16 jet engines. The undercover agent took control of the tow vehicle and drove it approximately one-half mile to a pre-arranged temporary storage, where the associate was then paid $10,000 cash for the engines. As a result of this operation, an estimated $9.5 million in stolen U.S. Government property was recovered, 33 civilian subjects were indicted Federally, 22 military personnel were either charged under the Uniform Code of Military Justice or Court Martialed, and two subjects are pending trial by local authorities.

A successful investigation concluded with the arrest of Dean Ashley Lambey and Daniel T. Depew on August 14, 1989. These arrests were the result of a major FBI investigation directed at thwarting individuals who molest children, and as a result, have prevented numerous cases of heinous acts against children. This investigation was considered by the FBI to be a major case, due to the horrendous nature and type of crime being planned against a defenseless segment of our society. Every available investigative technique was utilized, including 24 hour a day physical surveillance of the subjects to insure no child or citizen was placed in danger. Originally initiated by undercover officers of the San Jose, California Police Department using a computer bulletin board system "designed to assist people seeking contact with others interested in diverse sexual pursuits," approximately 100 FBI agents joined in this investigation. By using the computer bulletin board the undercover police officers were contacted by Lambey who expressed an interest in sexual contact with pre-adolescent caucasian males and a desire to produce a sexually explicit video involving at least one minor. Later Depew was introduced by Lambey to the undercover officers and disclosed the details of a scheme devised by the two men to either purchase or abduct a minor boy, hold him in captivity for up to two weeks, videotape acts of sexual molestation, and ultimately to murder the child. This is another example of a case where the FBI has worked with other organizations and has prevented heinous crimes against children of our society.

On January 23, 1989, four Ku Klux Klan members were sentenced in the U.S. District Court, Birmingham, Alabama for civil rights violations stemming from a 1979 racial confrontation. This investigation represents one of the longest-running investigations conducted by the FBI into a single civil rights incident. Altogether, nine Klan members were charged in the indictment. Five other members have previously entered guilty pleas or have been convicted.

On May 30-31, 1989 several members of a group called "EMETIC" (Evan Mecham Eco-Terrorist International Conspiracy) were arrested by the FBI in connection with the cutting of a metal pole that supports the power transmission line which delivers electricity to a substation in Arizona. The substation is the main source of water supply for the State of Arizona. The attempted sabotage was intended to be a practice session for the subjects before they committed simultaneous acts of sabotage to power lines at three nuclear facilities in the near future. Subsequent to their arrest, all four subjects were indicted by a grand jury in the District of Arizona for multiple destruction-of-property incidents. EMETIC is a small group of people who commit illegal acts in furtherance of their beliefs of preserving the natural environment.

On July 12, 1989, Richard Clark Johnson, a United States citizen employed as an electronics engineer, was arrested by the FBI and charged with conspiracy to destroy the property of a foreign government. Three associates were also arrested. The FBI's investigation determined that Johnson provided technical assistance to the Provisional Irish Republican Army (PIRA) in the development and production of improvised explosive devices. It is anticipated that the arrest and imprisonment of these subjects will cause a major disruption of PIRA's ability to carry out its successful bombing campaigns in Northern Ireland and the United Kingdom. During early November, 1989, the FBI received information that four subjects would be traveling to the United States in the near future to attempt to unify opposing factions of the Irish Northern Aid Committee and to conduct a major PIRA fund-raising tour. Information was provided that all four subjects had previous arrests and/or explosives related charges and that all subjects knowingly denied any previous arrests and/or convictions on their visa waiver forms. On November 11, 1989, two of the subjects were arrested. They subsequently pled guilty and were deported. The third subject was arrested on November 13, 1989, and is currently awaiting prosecution. The fourth subject has not been located and is believed to have departed the United States.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Other Field Programs..............................	8,892	8,689	$669,078	8,782	8,425	$685,541	-110	-264	$16,463

The net changes of a decrease of 110 positions, and 264 workyears, and an increase of $16,463,000 includes program increases of 205 positions and $35,512,000, and program decreases of 315 positions and workyears and $19,049,000.

Program Increases:

Program increases of 61 agent positions (15 workyears), 144 support positions (36 workyears) and $35,512,000 are requested for Other Field programs, including: 104 support (26 workyears) and $32,838,000 for personnel and technical equipment in support of high priority field investigative activities; and 61 agent positions (15 workyears), 40 support positions (10 workyears), and $2,674,000 for the FBI Applicant program.

The request for 61 agent positions (15 workyears), 40 support positions (10 workyears), and $2,674,000 for the FBI Applicant program is essential to ensure the FBI's capability to staff its priority investigative initiatives. These initiatives include the FBI's National Drug Strategy, the Violent Crime, Organized Crime, and Financial Institution Fraud Initiatives, Protection of National Security, and the Investigative/Administrative Support Infrastructure. The FBI cannot fulfill or support its critical field investigative missions if qualified and dedicated personnel are not on board. Approximately one-third of this request, including 20 agent positions (10 workyears), 13 support positions (7 workyears), and $1,876,000 directly supports FBI drug investigations.

Since 1987, the FBI Applicant field program has experienced a dramatic growth in workload. It is anticipated that this growth would continue through the 1990s, perhaps until 2000. In previous years, the FBI had been able to accommodate fluctuations in the FBI Applicant program workload with base level resources. Long-range attrition projections indicate that over the next decade approximately 50 percent of the special agents currently onboard will retire.

In 1989, 353 agents, 118 special support, and 1,074 general support employees, or a total of 1,545 persons were hired. By 1991, these figures would change to 599 agents, 430 special support, and 1,280 general support employees. In 1989, 243 agent workyears were utilized in the FBI Applicant field program to recruit, select and hire 1,545 employees. The need to hire 2,309 employees in 1991 would require utilization of additional agent and support positions in the FBI Applicant field program. The requested increase of 61 field agent positions (15 workyears) and 40 support positions (10 workyears) will allow the FBI to conduct background investigations and appoint qualified individuals to various sensitive positions within the organization in 1991.

Approximately 2.5 background investigations are conducted for every one employee hired. Although this may appear high, total hires do not adequately represent the full nature of the workload in the FBI Applicant field program. In actuality, approximately 60 percent of the resources for the FBI Applicant program are involved in the recruitment, selection, administration of exams, and interviewing for applicants. In any case, it must be remembered that more than a majority of the workload is exclusive of the actual background investigations and this work would continue to be performed by FBI personnel.

Besides unprecedented employee separations and personnel enhancements, the FBI must dedicate more time to recruiting matters. The FBI must be able to dedicate the maximum number of personnel resources to ensure that future hiring requirements are attained. Due to expanding responsibilities and increasing casework, the FBI can no longer divert agents from other investigative programs; therefore, approval of the requested personnel enhancement would ensure the FBI's continued ability to meet its hiring needs.

Program Decreases:

Program decreases totalling 315 positions and workyears and $19,049,000 are proposed. This includes a reduction of 133 special agents, 102 support and $12,528,000 to reduce the Federal deficit to meet the targeted budget levels established by the Administration. In addition, program decreases are proposed to provide funding to implement Public Law 101-173 including $1,866,000 in technical equipment and $2,000,000 in Violent Crimes nonpersonnel operational funding, (a $1,000,000 reduction in travel and $1,000,000 in confidential case funding).

Also, to provide funding to implement Public Law 101-173, a reduction of $2,655,000 and 80 positions is proposed. This represents direct funding for background investigations for the U.S. Attorneys. Previously, these background investigations were performed at no charge. However, beginning in 1990, the FBI will be reimbursed from the U.S. Attorneys for these services up to $2,655,000.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Organized Crime.............	1,699	1,589	$110,342	1,699	1,629	$126,241	1,824	1,626	$128,128	125	-3	$1,887

Long-Range Goal: To eliminate the La Cosa Nostra (LCN) and other organized criminal groups as significant threats to American society through sustained, coordinated investigations that support successful prosecutive action.

Major Objectives:

To penetrate the hierarchy of the LCN by identifying the leadership and membership of these groups in an effort to determine their complicity in criminal activity as well as determine the extent of interrelationships among the LCN families and thereby develop successful prosecutions for specific violations of Federal statutes, including the Racketeer Influenced and Corrupt Organizations (RICO) and the Continuing Criminal Enterprise (CCE) statutes.

To further determine the extent of influence and control the LCN has established within the legitimate labor union community in the United States; continue to pursue investigations against the LCN through an aggressive and successful Labor Racketeering Program within the FBI that would eliminate this control and have a positive impact upon the nation's economy.

To insure that the capabilities of the Organized Crime Information System (OCIS) enable the FBI to collate the vast quantity of information concerning organized criminal activity so that complex associations between members of organized criminal groups may be identified.

To utilize the civil provisions of the RICO statute in order to rid the labor movement of the debilitating influence of the LCN while simultaneously removing a major financial and political resource of the LCN.

To initiate and conduct investigations into the illegal activities of other organized crime groups such as the emerging Asian Organized Crime groups.

To develop and maintain a national intelligence base which would consist of quality, high level informants to penetrate the organizational structure and operations of organized crime groups; cooperating witnesses to provide first hand testimony as to the day-to-day operations of these illegal organizations and sponsor their subsequent entry into the Witness Security Program if necessary, and liaison efforts with other law enforcement agencies.

To provide overall coordination and management oversight of efforts relating to the use of sophisticated and sensitive investigative techniques including court approved Title-III intercepts, consensual monitoring, undercover operations, aircraft and physical surveillances, and to perform a wide variety of administrative and investigative support functions in support of criminal investigations.

To improve, through active participation, the level of cooperation between foreign agencies and the FBI.

Base Program Description: The primary focus of the FBI's Organized Crime Program is the illegal activities of the LCN. The LCN, as well as other organized criminal groups such as the emerging Asian Organized Crime groups in the United States, affect the social, financial, and political framework of American society by directing and/or becoming involved in labor racketeering, corruption of public officials, illegal infiltration of legitimate businesses, loansharking, illegal gambling, and gangland slayings. There are few businesses or industrial sectors in American society that are not affected by organized crime groups.

Recent investigations focusing on the criminal activities of the 25 LCN families have developed information that reinforces earlier information indicating that four major labor unions (International Brotherhood of Teamsters-IBT, International Longshoreman's Association-ILA, Laborers' International Union of North America-LIUNA, and Hotel Employees and Restaurant Employees International Union-HEREIU) within the United States are being influenced or directed in an illegal manner by the LCN. The evidence presented in these cases has demonstrated that the LCN's influence in labor unions allows for the disruption of competitive free markets in various industries such as concrete, construction, trucking, and the air freight industry.

The recent successes against the LCN can be attributed to the evolution of the Enterprise Theory of Investigation. This approach requires that separate investigations conducted against individual members of a specific group or family be combined for prosecution, using both the criminal and civil provisions of RICO. Under this approach, the group or family is named as the enterprise. Convictions on this basis result not only in significant periods of incarceration, but provide for the seizure of assets accumulated by the enterprise through its illegal activity and a potential prohibition against the members of the enterprise associating with corrupted labor unions, infiltrated businesses, compromised institutions, or even with other members.

Organized crime investigations require numerous techniques which have proven to be resource intensive. To penetrate close knit, secretive organizations,such as the LCN, the FBI employs a variety of sophisticated investigative techniques, including court-ordered electronic intercepts, long-term undercover operations, extensive physical surveillance, including the use of aircraft, high echelon, quality informant coverage, and cooperating witnesses. In addition, the FBI's Organized Crime program complements its investigative efforts and maximizes its investigative resources by providing Headquarters and field locations with computer based capabilities via OCIS. OCIS personnel assist in the collection, collation, analysis, and dissemination of investigative information relative to organized crime matters. Within OCIS, particular emphasis is placed upon link analysis of relationships which exist between or among organized crime groups, and/or between corrupt organizations and union officials, business leaders, or public officials.

Within this decision unit is the Investigative Support Program, which provides for the coordination of all criminal informant operations, witness security, aircraft support, undercover operations, Special Operations Groups/Off Premise Sites (SOG/OPS), as well as a myriad of administrative activities that support all FBI investigative programs. Aircraft surveillance enables discreet contact with a moving target even though the target is using evasive maneuvers to elude surveillance. The aircraft equipment has enabled FBI personnel who staff specialized aircraft to recognize evasive maneuvers and can direct accompanying ground units clear of the target, where ground units might be unable to get close enough to observe the target without detection. The undercover technique offers investigative opportunities not available in the context of the traditional investigative process. Undercover agents have the ability, in certain situations, to penetrate the highest levels of criminal activity, thus permitting more effective and safer use of sources and informants. The information obtained from the undercover operative may avoid the necessity for sources/informants to testify in court. SOG/OPS give the FBI the ability to support effectively the integrated functions of tactical mobility, undercover operations, sensitive and complex Title-III electronic surveillance installations, and the tracking of extremely sensitive and surveillance-conscious subjects.

Accomplishments and Workload: The statistical accomplishments and estimates for the Organized Crime program are presented in the following table:

Item	1988	1989	Estimates 1990	1991
Investigative Matters: (1)				
Pending Beginning of Year (2)	3,017	2,476	2,526	2,576
Received During Year	6,117	5,100	5,130	5,020
Completed During Year	6,524	5,050	5,080	4,980
Pending End of Year (2)	2,610	2,526	2,576	2,616
Informant Matters (3)	3,083	2,100	2,115	2,070
Title IIIs: (1)				
Initiated	90	64	65	64
Extended	101	66	68	66
Informations and Indictments (1)	805	659	665	650

Item	1988	1989	Estimates 1990	 1991
Convictions and Pre-trial Diversions (1)	690	660	670	655
Fines ($000)	$8,445	$13,280	$13,500	$13,000
Recoveries and Restitutions ($000)	$12,200	$30,535	$31,000	$30,000
Potential Economic loss Prevented ($000)	$31,974	$6,589	$10,000	$6,000

(1) - Investigative Matters do not include informant matters.

(2) - The difference between the investigative matters pending at the end of 1988 and the beginning of 1989, as well as the decrease in matters received and the accomplishments recorded between the two years, reflect the transfer of investigative responsibility for non-LCN corruption matters from the Organized Crime program to the White-Collar Crime program during 1989.

(3) - The reduction in informant matters between 1988 and 1989 reflect the removal of drug informants from the Organized Crime program.

Organized crime investigations resulted in the conviction of a number of LCN organized crime members and their associates; non-LCN organized crime members and their associates, union officials, and public officials. The following indicates the type of criminal activity for which convictions and pre-trial diversions (PTD's) were obtained during 1988 and 1989, including new initiatives in civil RICO matters:

	1988 Conv.	 PTDs	 Total	1989 Conv.	 PTDs	 Total
Corruption................	64	3	67	27	0	27
Extortion.................	0	0	0	31	1	32
Illegal gambling..........	164	6	170	256	12	268
Labor racketeering........	71	0	71	47	1	48
Loansharking..............	45	0	45	19	0	19
Other violations..........	293	44	337	263	3	266
Totals..................	637	53	690	643	17	660
Labor-Civil RICO complaints (individuals/entities)...			70			75
Civil RICO judgments (individuals/entities)....			31			20

The following are specific case examples of the types of investigations being conducted within the Organized Crime program:

On June 6, 1989, a Civil RICO complaint was filed in the Eastern District of New York (EDNY) against the Luchese and Gambino LCN Families; the Private Sanitation Industry Association of Nassau/Suffolk, Inc., Teamsters Local 813; 43

carting companies, and 65 individuals. The suit is the largest Civil RICO ever filed by the Government and is the first ever directed at an entire industry.

On June 13, 1989, an eight-count indictment was returned in San Francisco charging U.S. District Court Judge Robert P. Aguilar, labor consultant Michael Rudy Tham and associate Abe Chapman with racketeering activity, influencing or injuring an officer or juror and the unlawful disclosure of wiretap information. This matter was initiated based upon information obtained from a court-authorized electronic surveillance and physical surveillance which indicated that Judge Aguilar was involved in an attempt to corruptly influence the actions of U.S. District Judge (USDJ) Stanley A. Weigel concerning a Rule 2555 motion filed by Michael Rudy Tham before Judge Weigel.

On June 28, 1989, a Federal grand jury in New York, New York, returned indictments against nine Gambino LCN members and associates, including Sal Mangialino, on RICO charges. These defendants were convicted of operating a racketeering enterprise responsible for over a dozen murders, loansharking, drug trafficking, interstate transportation of stolen vehicles, and other crimes. As a result of this investigation the New York City Police Department has cleared 58 homicides that were committed by this group. The actual number of murders committed by this group is believed to exceed 200.

On August 23, 1989, a Federal Grand Jury in the Western District of New York (WDNY) returned a seven-count indictment against Magaddino LCN Family capo Leonard Frank Falzone and his LCN associates Salvatore Spano, Joseph C. Sacco, Gaspar Cino and Charles Nigro. The five subjects were each charged with one count of violating the RICO Statute and one count of conspiracy to violate the RICO Statute, Title 18, U.S.C., Sections 1962 (c) and (d), respectively. Spano was also charged with violating conspiracy and money laundering statutes, Title 18, U.S.C., Sections 371 and 1956, as well as making false statements on Federal income tax returns for the years 1986, 1987 and 1988. All subjects were released on substantial cash bonds. Subsequent to the indictment, Spano's residence in Buffalo, New York, and two of his bank accounts, totaling in excess of $30,000, were seized. This investigation, initiated in early 1988, focused on Falzone's extensive loansharking activities.

On September 14, 1989, USDJ Vincent L. Broderick, Southern District of New York (SDNY), sentenced Gambino LCN soldier Salvatore Mangialino and Gambino LCN associates Anthony Senter and Joseph Testa on RICO charges. Mangialino was sentenced to 25 years. Senter and Testa were sentenced to the custody of the Attorney General for 20 years and a life sentence to begin after their 20 year terms are completed. The defendants were convicted of operating a racketeering enterprise responsible for over a dozen murders, loansharking, drug trafficking, transportation of stolen vehicles and other crimes.

On September 20, 1989, Gambino LCN capo Joseph Corrao was sentenced for two years and fined $5,000. Corrao was convicted on charges of conspiracy and obstruction of justice on July 28, 1989. His trial was especially important because it dealt specifically with the issue of LCN corruption of the Federal Judicial System. Mildred Russo, a SDNY clerk in charge of sealed indictments provided secret indictment information to Corrao which he subsequently revealed to LCN associates. Russo has been convicted and placed on probation for her role in this conspiracy.

On September 26, 1989, the United States District Court in Newark, New Jersey, imposed the following sentences on Genovese LCN consigliere Louis Anthony Manna and four Genovese LCN associates: Louis Anthony Manna, 80 years in prison, five years probation and a $250,000 fine; Martin Cassell, 80 years in prison, five years probation and a $25,000 fine; Richard De Sciscio, 75 years in prison, five years probation and a $300 fine; Rocco Napoli, six years and three months in prison, five years probation and a $25,700 fine; Frank Daniello, four years in prison, five years probation and a $150 fine. The above subjects, along with Genovese LCN associate John Derrico, whose sentencing has been postponed, were convicted of RICO, extortionate credit transaction, Taft-Hartley Act and illegal gambling business violations on June 26, 1989.

On September 29, 1989, a Federal Grand Jury in Elkins, West Virginia, returned a 218-count indictment charging LCN associate Paul Nathaniel Hankish and members of his organization with 29 different Federal violations ranging from RICO-murder and continuing criminal enterprise (CCE) charges to tax evasion. This investigation focuses on extortionate credit transactions, interstate transportation of stolen property, illegal gambling, interstate prostitution and contract murder.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Organized Crime....................................	1,699	1,629	$126,241	1,824	1,626	$128,128	125	-3	$1,887

The net change of 125 positions (-3 workyears) and $1,887,000 includes a program increase of 172 positions (44 workyears) and $4,119,000 and a program decrease of 47 positions (47 workyears) and $2,232,000.

The increase of 172 positions (44 workyears) and $4,119,000 includes a program increase of 78 agent positions (20 workyears), 50 general support positions (6 workyears), 26 Title III monitor positions (13 workyears), and 18 special support positions (5 workyears) for the Organized Crime program (OCP) to implement new initiatives to address the emerging problem of Asian Organized Crime (AOC).

Program Increase:

Asian Organized Crime: 78 agent and 50 general support positions (20 agent and 13 general support workyears) and $3,567,000.

An increase of 78 agent and 50 general support positions and $3,567,000 is being requested for AOC. Asian gangs were once considered to be merely street gangs, comprised of young members who restricted their activities to a limited geographical area. However, some gangs now appear to be an interstate menace in that they have factions throughout the United States and are headed or controlled by older members of the faction.

The extent of the AOC threat can be seen in the size and scope of these groups. The Royal Hong Kong Police estimate that Triads in Hong Kong claim 80,000 - 100,000 members in 50 separate organizations. The five most dominant Triads in Hong Kong are the 14K with a membership of 24,000; WO with 28,000 members; CHIU with 16,000 members; LUEN with 5,000 members; and TUNG with 3,000 members.

An intelligence report on the AOC, prepared by the FBI, cites that "there are well over 13 Triad societies operating in the United States at this time, 10 of which are in California." Among the most active are the UNITED BAMBOO GANG, active in six cities; the 14K in four cities; and the SUN YEE ON group in six cities.

Allegations of the illegal activities of Triads and criminally influenced Tongs within the United States include murder, gambling, loansharking, prostitution, extortion, smuggling, public corruption, and sweatshop labor racketeering. The transfer of the city of Hong Kong to the government of the Peoples' Republic of China in 1997 may result in an increase in the number of Triad members in the United States based upon reports that indicate that the communists are particularly brutal to Triad members. Recent Immigration and Naturalization Service statistics show a dramatic increase in emigration from Hong Kong to the United States.

The organized crime group in Japan is the Yakuza, which controls some 26,000 legitimate businesses and countless illegal ones. Available intelligence indicates a worldwide membership as high as 100,000 spread across 2,500 gangs. The illegal activities of the Yakuza appear to fall into two major categories: (1) obtaining contraband for export to Japan and (2) infiltrating legitimate United States businesses with the proceeds from illegal activities in Japan. The Yakuza control all handguns which enter Japan illegally, prostitution, and purchase legitimate United States businesses for laundering vast amounts of drug and extortion money. The FBI and the National Police Agency (NPA) of Japan have established a working group to exchange intelligence on organized crime, conduct joint organized crime investigations, and engage in mutual organized crime training.

Other Asian criminal groups, especially the Vietnamese and Korean groups, have shown a willingness to use violence with regard to their illegal activities. There are indications that Vietnamese groups may have criminal associations with chapters of Tongs that are involved in criminal activity.

Vietnamese gangs' strength varies from 65 to 200 members per gang. They are extremely mobile with a propensity toward violence, are proficient in murder, robbery, and extortion, and are known to integrate with Chinese gangs. Vietnamese gang activities have been identified in California, Texas, Louisiana, Mississippi, Virginia, New York, Illinois, and Colorado.

The Los Angeles Field Office has identified four major Hong Kong Triads and the Japanese Yakuza operating within its territory and has requested additional agent positions to address this problem. In addition, the Newark Field Office acknowledges AOC problems involving Chinese and Japanese groups which also affect New York, but due to the extent of the LCN problem it is addressing, is unable to conduct any investigations of AOC. The San Francisco Field Office reports a similar problem. Intelligence reflects criminal activity by the Yakuza, the United Bamboo Triad, various Vietnamese groups, and more significantly, various Triads and Tongs with direct ties to the parent organization in Hong Kong. FBI field offices in Houston, Dallas, Minneapolis, and Washington D.C., also report unaddressed or prolonged investigations of AOC matters due to a lack of adequate resources.

Recent investigations have identified active criminal associations between the LCN and the Chinese and Japanese organized crime groups. Based on the size of the AOC threat and their association with the LCN, the FBI can no longer delay the investigations into the illegal activities of these organized criminal groups. These investigations require additional resources to employ the highly successful techniques learned from LCN investigations. Thereafter, the Enterprise Theory of Investigation and civil RICO remedies, wherever appropriate, can be utilized to eliminate AOC as a threat to American society.

In line with the AOC agents requested, the FBI requires 50 additional general support positions to perform necessary clerical tasks essential to the special agents' ability to carry out their investigative responsibilities. Clerical or support performance affects the speed and reliability of action relating to the main investigative purposes of the FBI. The increased volume of investigative work necessitates more typing, secretarial, and filing support.

Language Specialists: 14 positions (4 workyears) and $227,000.

To further AOC investigative efforts, the Organized Crime program would require the services of personnel familiar with the culture and dialects of the individuals under investigation. The funded level of six language specialists is inadequate to support the Organized Crime program's investigations of AOC group activities. The scope of the AOC problem is such that an additional 14 language specialist positions (seven workyears) and $398,000 are being requested for 1991.

Groups such as the Chinese Triads/Tongs involved in criminal activity, and the Japanese Yakuza would be the focus of the FBI's new investigative initiatives and are comprised of a high number of bilingual or non-English speaking members. Experience has shown they prefer to communicate in their native or ancestral language. The degree of success the FBI would have against these crime groups would depend in large part on the ability to expeditiously handle the volume of non-English speaking Title III's and consensual monitoring tapes that these investigations are expected to generate.

Given the increase in the number of investigations concerning these AOC groups expected in 1991, it is essential to have readily available support employees capable of translating Title III and consensually monitored tapes as well as other documents. This increase would allow translations to be completed on a timely basis, allowing for timely responses to planned criminal activity.

Intelligent Research Specialists: 4 positions (1 workyear) and $52,000.

Additionally, this request would provide four positions (two workyears) and $103,000 to implement the Intelligence Research Specialist (IRS) program in field offices with a significant AOC problem, such as San Francisco, Los Angeles, and New York. By providing the field offices with well-trained analytical personnel, special agents would be relieved of many of their noninvestigative functions. The products generated by these employees would prove to be an invaluable program and case management tool. Expanding the intelligence base developed by FBI investigations by contact with State and local agencies, the IRS will conduct thorough research and analysis of the growing AOC problem. This analysis would be accomplished without diverting agents from investigative matters. Thereafter, the IRS would provide FBI management with information that would enable the FBI to better focus its efforts toward the most significant of these groups, thereby maximizing the FBI's investigative effectiveness.

These specialized support personnel develop a thorough knowledge of the Organized Crime program, conduct analyses of ongoing cases and identify investigative trends. The IRS position would expand beyond the intelligence support provided by the OCIS analyst using the OCIS automated intelligence system. The IRS would use data obtained from OCIS, from pending and closed investigative matters and through liaison efforts with the intelligence gathering entities of other agencies, both law enforcement and non-law enforcement, and provide the Organized Crime Program with forecasts, predictions, and trend analyses necessary to plot the investigative course of action required.

It is not unusual for a Title III to produce more investigative information than the agent assigned the case can manage. While the agent focuses on that information pertinent to the primary subjects of his investigation, the IRS would analyze the data regarding secondary individuals or violations which could become the focus of subsequent investigations. The IRS would prepare a report or summary which would serve as the basis for an expanded or a separate investigation. Without the IRS, the time-consuming task of analyzing this data would be left to the agent. Given that an investigation may continue for months after the Title III is terminated, and before the case is prosecuted successfully, the relevance and usefulness of this added information would be lost.

Title III Monitors: 26 positions (6 workyears) and $273,000.

The requested personnel would also provide 26 general support positions (13 workyears) and $591,000 to monitor electronic surveillances, prepare drafts of transcripts, if necessary, proofread the typed transcripts, analyze and collate relationships, and disseminate and coordinate intelligence with respect to ongoing Title IIIs within AOC investigations.

The Electronic Communications Privacy Act of 1986 contained provisions which would increase significantly the use of the Title III technique. The new law enables law enforcement officials to obtain an interception order to monitor a specific person rather than the specific premises or telephone that person might use. This expands significantly the opportunity to monitor effectively those subjects who have thwarted interception by changing facilities, for example, moving from phone booth to phone booth or place to place to avoid interception. In addition, statutory coverage for a wide range of communications within the defined term "electronic communication" was created to include non-aural communications such as electronic mail, computer transmissions, and video teleconferencing. Predicate offenses were expanded to include Murder for Hire and Mail Fraud. The law now permits non-agent Government personnel or contract employees to monitor ongoing electronic surveillance under the direction of law enforcement personnel. This portion of the law provides major efficiencies in personnel utilization by allowing many of the special agents normally required to monitor Title III's to participate in other more complex investigative activities.

The resources being requested for the AOC initiative have been determined through a review of the investigations the FBI has been able to address, an assessment of the unaddressed work, and a detailed evaluation of the threat posed by these groups. For example, 21 field offices have identified an AOC problem; however, due to resource constraints, only 16 field offices have been able to initiate a limited number of investigations. These additional resources would allow the FBI to begin directing an appropriate level of investigative resources to address the illegal activities of these groups before they can rise to a level equal to that of the LCN. The size of these groups, plus the development of their association with the LCN, makes it imperative that the FBI no longer delay initiating investigations into the groups' illegal activities. The requested resources would allow the FBI to utilize both the Enterprise Theory of Investigation and civil RICO wherever appropriate to eliminate AOC as a threat to American society.

Program Decrease:

Program decreases totaling 27 agent and 20 support positions and workyears and $2,232,000 are proposed to meet budget deficit reduction target levels established by the Administration. The reduction of 27 agent and 20 support positions and workyears would impact on the FBI's investigative efforts of the LCN; however, sufficient resources would remain to avert a resurgence of the threat of organized crime.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Drugs......................	1,377	1,359	$91,166	1,339	1,321	$88,341	1,672	1,440	$107,509	333	119	$19,168

Long Range Goal: To reduce the incidence of illegal drug trafficking and other criminal activity which drug trafficking generates in American Society through investigations conducted on a systematic, coordinated, and sustained basis.

Major Objectives:

To conduct effective, coordinated investigations against major drug trafficking organizations on a nationwide basis with the ultimate objective of neutralizing networks involved in the distribution of illegal drugs and seizing their ill-gotten assets through forfeiture proceedings.

Focus FBI resources on the identification, investigation, and asset seizure of major multi-national drug trafficking organizations which control predominant shares of the United States drug market.

To expand and enhance the intelligence base on domestic and international drug trafficking organizations and their financial support structure.

To provide assistance to other Federal, State, and local law enforcement agencies in the investigation of high-level drug trafficking organizations operating in a local or regional area of the country.

To remove the ability of criminal enterprises to function through the aggressive application of forfeiture sanctions contained in Federal statutes which fall within the investigative purview of the FBI.
To develop and implement the FBI Drug Intelligence System.

To increase the amount and improve the level of training, logistical and technical support for drug investigations.

Base Program Description: The mission of the FBI Drug Program is embodied in the Administration's recently announced Drug Strategy and the FBI's National Drug Strategy (NDS). The NDS is based on the premise that the FBI's drug resources must be used effectively and efficiently to achieve the highest impact possible on drug trafficking, supply reduction, and the attendant problems caused by drug trafficking. The NDS targets major, multi-jurisdictional drug trafficking organizations through long-term, sustained investigations aimed at dismantling trafficking networks; arresting their leadership; and seizing and forfeiting their ill-gotten gains. The NDS is structured to enhance the FBI's drug intelligence base, identify trends and make projections, concentrate resources in major centers of drug trafficking activity, and provide assistance to other law enforcement agencies.

The closely-focused, complex investigations, following the FBI's NDS tenets, target organizations rather than individuals. The benefits of this approach are based upon the FBI's experience and expertise developed through extensive investigation of traditional organized crime organizations. The neutralization of organizations yields the greatest and most lasting results. This is the extra dimension that the FBI's NDS brings to supply reduction and to combating the other illegal activities of drug trafficking organizations such as; corruption of public officials; money laundering; fraud and violent crimes not covered in Title 21, United States Code, violations in which the FBI has jurisdiction and decades of experience; therefore, enabling the FBI to address all aspects of drug conspiracies.

To achieve a significant impact on the established priorities the FBI's NDS is designed to expand and enhance the existing drug intelligence base. The FBI's effort is broad-based and covers the full spectrum of intelligence from the development of high-quality informants and cooperative witnesses to the selective use of Racketeering Enterprise Investigations (REIs). The FBI uses REIs, or criminal intelligence gathering investigations, to identify the organizational, geographical, and financial aspects of major drug groups, as well as to project their future activities. As a result, FBI managers can more effectively select initiatives and target operations against the highest levels of these organizations.

One of the most effective means for penetrating sophisticated drug trafficking organizations and networks is court-authorized electronic surveillance. This investigative technique allows the interception of even the most guarded criminal conversations of the leaders of drug trafficking groups providing strong evidence of the groups' structure, scope, and finances. Electronic surveillance also presents a unique opportunity to develop evidence of drug trafficking, using the words and voices of the traffickers themselves.

Long-term, complex Undercover Operations (UCOs) are a second area of recognized FBI expertise which facilitate the penetration of drug trafficking organizations. UCOs produce a great deal of intelligence information as well as evidence to support prosecution of the key leaders of these organizations. By interacting directly with the organization members, undercover agents have the opportunity to collect information on the inner workings of groups. Due to the sensitivity and inherent risks to undercover agents, UCOs are only used against major drug traffickers or networks of traffickers in long-term investigations after careful evaluation of the risks and anticipated accomplishments.

The FBI's goal is to more clearly focus investigative resources on those organizational-based trafficking groups controlling significant segments of the illegal drug importation and distribution markets. Investigations are directed at the following drug trafficking groups: Colombian/South American; Mexican; European/Italian; Asian; and other major drug trafficking organizations that are national in scope. They include emerging major drug trafficking groups, such as Jamaican Posses and notorious Los Angeles-based street gangs known as "Bloods" and "Crips."

During 1989, 71 percent of the FBI's Drug investigative agent resources were used in Colombian/South American, Mexican, European/Italian, and Asian subprograms. These drug trafficking organizations have been identified by the FBI as posing the greatest drug trafficking threat to the United States. Accordingly, the FBI Drug Program's field agent resources are allocated to those FBI field offices identified as primary centers for major organizations involved in illegal drug importation and distribution.

A brief description of major drug trafficking organizations addressed within the FBI's Drug Program is set forth below:

Colombian/South American: Colombian/South American traffickers control the importation of cocaine, which has been identified as the primary drug problem facing the United States. The areas of south Florida; Houston, Texas; and Los Angeles, California, are the regions impacted the most by these drug traffickers. In 1988, the wholesale price of one kilogram of cocaine was near all-time lows in Miami, Florida, despite record seizures by law enforcement. According to the National Narcotics Intelligence Consumer Committee (NNICC), use of the drug in this country has surged upward by 309 percent from 1985 to 1988 (the most recent figures available). There is no present indication of this trend abating.

Mexican: Mexican drug trafficking organizations are responsible for importation and distribution of brown and black-tar heroin, cocaine, and marijuana. In addition to the production and importation of heroin, the Mexican groups are transshipping to the United States increasing amounts of South American cocaine. The southwestern United States border area is long and vulnerable, compounding the drug trafficking problem Mexican groups pose. Their activities, once concentrated in the southwest and western United States, have now spread to the east coast (Massachusetts, New Jersey, New York, and Pennsylvania), southeast (Florida and Georgia), northwest (Oregon and Washington), and midwest (Colorado, Illinois, Indiana, and Oklahoma). The threat which Mexican drug organizations pose is underscored by 1988 NNICC statistics showing that such groups account for 30 percent of all heroin smuggled into this country. Trend analysis of trafficking indicators dating back to 1984 demonstrates a gradual, yet continuous increase in the availability of Mexican heroin in the United States and an increase in purity levels, reaching as high as 90 percent. Although the heroin user population appears static at about a half million addicts, studies are demonstrating that the user population is increasingly responsible for an inordinate amount of all crime. An intensive, aggressive investigative posture is unquestionably required to stem the drug flow and to effectively counter the groups responsible.

European/Italian: European/Italian drug trafficking activity, primarily by La Cosa Nostra (LCN) and the Sicilian Mafia, has been traditionally associated with cities located in the northeastern United States. However, the FBI's intelligence base has determined that these organizations have become more geographically diverse. The Sicilian Mafia is now active in drug trafficking in numerous cities throughout the United States. They are primarily responsible for importing southwest Asian heroin. Based upon drug "signature" figures, southwest Asian heroin accounts for 27 percent of the heroin smuggled into the United States.

Asian: The Asian groups are rapidly emerging criminal organizations involved in drug trafficking and other related crimes. Recent cases have established their activity in San Francisco and Los Angeles, California; Washington, D.C.; New York, New York; Boston, Massachusetts; and Houston, Texas. Expansion of the investigative effort and intelligence base is necessary to address these groups. Due to close knit traditions of Asian groups, penetration and successful investigation of these drug trafficking networks require full use of Title IIIs, UCOs, and other sophisticated surveillance techniques. FBI intelligence, and that of other law enforcement agencies, clearly shows an indisputable correlation between Asian drug trafficking and the increasing illegal immigration to the United States of Asian criminals. Such groups have a significant share in trafficking of southeast Asian heroin which represents 43 percent of the heroin market in the United States, according to the 1988 NNICC "signature" figures.

Other: Other major, multi-jurisdictional drug trafficking organizations also present a significant crime problem in the United States. Although these groups may not be involved in the direct importation of drugs, they may represent the dominant trafficking organizations in a geographic region. The threat they pose, combined with the inability of many local law enforcement agencies to conduct sustained, multi-jurisdictional investigations, is a prime factor behind FBI involvement in regional drug matters based on a case-by-case assessment. In some instances, corruption of local officials has precluded effective local investigation of these organizations.

Emerging gangs, such as the Los Angeles-based "Bloods" and "Crips," have become multi-kilogram entrepreneurs who deal directly with major Colombian and Mexican drug trafficking organizations as their source of supply for crack/cocaine. Jamaican Posses have also emerged as major drug trafficking organizations. Recent information indicates a new trend by inner-city drug users of mixing crack and heroin, a particularly dangerous development, which resulted in the leading cause of drug overdoses in Washington, D.C. during 1988. Additionally, in the past two years, the use of crack has become pandemic in inner-cities, contributing to record high homicide rates and violence.

The FBI's seizure and forfeiture program has initiated pilot Forfeiture and Asset Seizure Teams (FASTs). In January 1989, 12 Forfeiture Asset Seizure Teams (FAST) were formed in selected field offices. These groups are designed to assist substantive agents in the identification and seizure of forfeitable property. The formation of FAST is a new initiative which is expected to increase the number of seizures by approximately 90 percent by 1991. A commensurate increase in sharing requests is also projected. The FAST initiative is based upon pilot FAST efforts in the FBI's Miami and New York

Field Office's that have proven successful. Forfeiture of assets used in violation of Federal statutes has been clearly recognized as one of the most effective weapons against drug trafficking organizations. The sharing of seized assets with local police agencies has proven to be a powerful incentive for joint investigations. The combining of Federal and State resources in combating drug cartels has been very beneficial in not only dismantling these groups but also in enhancing the resources of the police agencies through the sharing of the seized assets.

The Forfeiture Program is responsible for processing property seized for evidentiary and other purposes. Tasks performed include recommending forfeiture-related policy and procedural initiatives; processing forfeiture actions including providing notice to interested parties; determining the sufficiency of probable cause; the management of seized assets; processing requests for sharing Federally forfeited property; administering the FBI's portion of the Department of Justice Asset Forfeiture Fund; and vesting title of abandoned property.

In 1991, the FBI will be subject to a reduction of 22 agent and 16 general support positions and $1,844,000 in order to meet targeted budget levels established by the Administration.

Accomplishments and Workload:

Actual and projected accomplishments in Drug Program, non-OCDETF, investigations from 1988 to 1991 are set forth below:

			ESTIMATES	
Item	1988	1989	1990	1991
Investigative Matters:				
Pending Beginning of Year	2,727	4,512	5,000	5,400
Received During Year	8,522	8,150	7,400	7,700
Completed During Year	6,737	7,662	7,000	7,400
Remaining End of Year	4,512	5,000	5,400	5,700
Title IIIs Used *	101	36	36	37
Informations and Indictments	1,456	1,923	1,600	1,650
Convictions/Pre-trial Diversions	895	1,327	1,050	1,100
Seizures Subject to Forfeiture ($000)	$40,668	$50,000	$65,000	$65,000
Forfeited ($000)	$22,096	$27,500	$43,000	$43,000

* Title IIIs used include extensions.

The following figures depict the breakdown of how Drug agents were utilized--the number of cases (includes cases received in year and cases pending beginning of year) from 1988-1989 and projections for 1990-1991 in the following Subprograms:

Drugs	1988		1989		1990		1991	
	% of agents	# of cases	% of agents	# of cases	% of agents	# of cases	% of agents	# of cases
Colombian/SA	35	2,585	35	2,575	36	2,460	38	2,600
Mexican	15	1,058	17	1,250	20	1,370	22	1,495
European/Italian	18	1,175	16	1,175	14	960	12	845
Asian	2	216	4	300	6	410	8	520
Other*	25	2,819	23	1,700	19	1,300	15	1,040
Total	95	7,853	95	7,000	95	6,500	95	6,500

The agent/case ratio is highly variable, being directly dependent on the complexity of the cases. As an example, some of the more complex cases require as many as 15 to 20 agents per case, whereas less expansive cases may be investigated by one or two agents. The NDS cases are increasingly more complex in nature. Thus, to give a "desirable" agent/case ratio is not representative of drug cases.

Explanation of Investigative Matters:

The accomplishments projected for 1989 and 1990 indicate a decrease in some areas and a leveling trend in other areas, with the exception of seizures and forfeitures. There are two reasons for this. First, the decreases in 1989 and 1990 accomplishments are due to an internal adjustment on the overutilization of resources. The Drug Program has had an overburn of approximately 20 percent above the funded level since 1983. In March 1989, an executive level decision was made that the FBI Drug Program could no longer overburn resources at the expense of other priority programs. This resulted in an approximate 30 percent reduction in workyears in 1989 from 1988 levels and consequently a reduction in the number of matters handled. Second, when the FBI first received Title 21 jurisdiction in 1982, it had a limited drug intelligence base. Therefore, the initial investigations conducted were of known regional drug distributors and organizations identified through the course of other FBI investigative responsibilities. These investigations added considerably to the intelligence base and an understanding of drug trafficking patterns; consequently, increasingly more complex drug trafficking organizations were investigated. This was also a time of rapid expansion of resources for the FBI Drug Program. Based on this enhanced intelligence base and experience, the FBI, in 1986, formulated its NDS. The NDS has led to a more effective focusing of resources on the highest level of drug trafficking organizations. These higher impact cases have necessitated the increased use of sophisticated investigative techniques, including undercover operations, and electronic and physical surveillance. These sustained, long-term investigations, although resource intensive, obtain commensurate results: the neutralization of the highest level of drug trafficking organizations, the arrest of their leaders, and the seizure and forfeiture of their assets. As the NDS is accelerated, fewer net investigative matters are anticipated, but there has been and would be a quantum increase in quality and impact of investigations, resulting in an increase in seizures and forfeitures (assuming a constant level of agent resources). Informations/indictments are anticipated to level off for the same reasons as given above; that is, more complex investigations would result in more complex, high impact prosecutions of higher level drug trafficking organization leaders, a process that is resource intensive. The leveling shown is an indication of the FBI's NDS resulting in the effective utilization of resources for investigations that result in the largest possible impact on the highest level drug trafficking organizations.

Other accomplishments include the following:

In July 1989, an FBI drug investigation in South Carolina resulted in the arrest of nine suspects; recovery of 502 kilograms of cocaine; seizures of $662,088 in currency; a house appraised at $400,000; and other property valued at $207,070. This case involved following a sailboat from Hilton Head Island, South Carolina, to Fort Lauderdale, Florida, where it was modified to conceal over 500 kilograms of cocaine and then sailed to the vicinity of the Caribbean Island of Bonaire. It was then met by another boat carrying Colombians and the cocaine. With the assistance of a FBI cooperating witness, after the sailboat returned to Hilton Head, the cocaine was taken to houses the FBI had covertly rented. The houses were equipped with CCTV and Title III authorized wire and microphone surveillance. This investigation required the utilization of several Special Operations Groups, air surveillances, and a translator. DEA assisted this case through the installation of a satellite tracking device on the boat and by facilitating the travel of two agents (one FBI, one DEA) to Aruba to provide coverage and support of the source during the voyage. Two of the subjects arrested have been identified as significant drug traffickers and many investigative leads into their drug smuggling activities are still being pursued, as well as the connection at Hilton Head. On December 12, 1989, after three weeks of trial, the jury returned guilty verdicts on all counts for subjects Gabriel Taboada, Jorge Samuel Cruz, and Peggy Ann Nelson. Six defendants previously had entered guilty pleas to the indictment and testified as Government witnesses in the trial.

As a result of a three year UCO, codenamed "Busico," 14 suspects were arrested in Baltimore, Buffalo, Miami, Newark, New York, Philadelphia, Rockford, and San Francisco, as well as in Italy, and were charged with drug trafficking violations. This complex and lengthy investigation was directed at Italian/Sicilian drug cartels operating throughout the United States. These cartels operated independently of each other, yet were connected through various associations with the common link of illegal drug trafficking. Three Italian law enforcement agencies, coordinating with the FBI Legal Attache in Rome, provided immeasurable assistance in this investigation.

Program Changes

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Drugs..	1,339	1,321	$88,341	1,672	1,440	$107,509	333	119	$19,168

Program Increases:

Agents - 94 positions; general support - 61 positions; special support - 178 positions and $19,168,000.

In 1991, the FBI's Drug Program requires personnel increases of 94 agents, 61 general support positions, 178 specialty support positions, and nonpersonnel increases of $9,447,000. The requested resources are necessary to address the sophisticated drug trafficking organizations operating in first- and second-level drug distribution cities identified through FBI intelligence. Use of electronic surveillance techniques, undercover operations and enhancement of the drug intelligence base have placed an extraordinary demand on the technical and intelligence handling capabilities of the FBI. Increased emphasis has been placed on Asian and Jamaican drug trafficking organizations as well as Los Angeles based street gangs which have developed drug distribution networks throughout the United States.

94 Field Agent positions (35 workyears); 61 general support positions (21 workyears) and $6,134,000.

The FBI is requesting an increase in its Drug Program personnel resources of 94 agent and 61 general support positions. This enhancement would bring the FBI's Drug Program funded level to the existing utilization level, thereby insuring that the FBI would be able to continue to devote investigative resources near its current level of commitment.

The FBI's Drug Program, through its NDS, addresses the Colombian/South American, Mexican, European/Italian, and other major emerging drug trafficking organizations, e.g., " Bloods" and "Crips" and Jamaican Posses. In investigating these drug trafficking organizations, the agent and support resources utilize physical and electronic surveillances; Racketeer Enterprise Investigations (REI); UCOs; asset seizures; and provide analytical functions to enhance the intelligence base. These sophisticated investigative techniques provide the most effective means for identifying and penetrating the principal drug trafficking organizations and their networks. Of the major drug trafficking organizations currently identified as operating in the United States, the FBI is able to address an estimated 40 percent at this time. An increased intelligence base is expected to identify still other major drug trafficking organizations. FBI intelligence has revealed that Colombian/South American trafficking organizations have expanded their operations from southern Florida to the southwest, eastern seaboard, and the Gulf Coast states. The Miami FBI Field Office alone has identified approximately 200 Colombian/South American drug trafficking organizations operating within southern Florida, all of which cannot be addressed due to insufficient resources. New York City and Los Angeles have also been identified as major distribution centers for these drug trafficking groups.

Additionally, intelligence has also disclosed that Mexican drug trafficking organizations, once operating primarily in the southwest United States and southern California, have now spread across the entire country. This problem is not being addressed adequately due to insufficient resources. Current personnel utilization levels, much less funded levels, do not permit investigation of all the identified organizations. The southwest U.S. border has been identified as a strategic drug trafficking region. Given that more than one-third of all heroin entering the U.S. comes from Mexico and that the Mexican Organizations play an increasing role as a conduit for South American cocaine, the FBI must at least maintain, if not enhance, its investigative commitment to this growing threat.

The 61 general support positions (21 workyears) are needed to perform clerical and related functions in support of FBI drug investigations. Critical word processing, file maintenance, evidence control, trial preparation, and other administrative functions, must be performed to support investigations. Without proper support, agents are relegated to performing clerical functions.

The FBI has attempted to balance its commitment to combatting the drug problem in all regions of the United States. Expanding drug investigative resources in the principal drug importation and distribution cities - Los Angeles, Miami, New York, and Houston - is a most effective and efficient method of cutting the chain of supply to smaller inland and rural areas. Yet, despite the major emphasis on metropolitan areas, the FBI maintains, to a limited degree, its drug investigative role in attacking regional drug trafficking groups in concert with state and local law enforcement. The requested increase of 94 agent positions (47 workyears) would enable the FBI to increase efforts in major distribution and importation centers but continue drug investigations in the principal and secondary distribution cities.

Electronic Surveillance Monitors 40 special support positions (14 support workyears) and $636,000.

The increase of 40 special support positions would assist agent personnel involved with monitoring and transcribing Title III intercepts, under the provisions of the Electronic Communications Privacy Act of 1986. The use of Title III court-authorized electronic surveillances is an invaluable investigative tool to expose secretive criminal organizational-based conspiracies. Although employing such a technique is personnel intensive, its use is essential if evidence is to be developed which incriminates the leadership of these organizations. This is especially important when it is considered that the FBI's NDS focuses resources to attack the top echelon structure of drug organizations posing the greatest threat to the United States.

Electronic surveillances save thousands of investigative hours that would otherwise be employed in attempting to climb the hierarchial ladder; that is, developing evidence against subordinate and lower level members in anticipation of reaching organizational leaders, a traditional technique--oftentimes referred to as a buy/bust approach--which often falls short of incriminating those individuals heading conspiracies. The cost of personnel and resources expended for Title III electronic surveillance, often augmented by undercover activity, more than offsets the cost of concentrating resources on other investigative techniques which likely would not reach the ultimate goal of dismantling criminal organizations.

The leaders of criminal enterprises, in an effort to insulate themselves from detection, are unlikely to engage directly in criminal transactions. They employ others to do their bidding. However, to manage organizational conspiracies, leaders must communicate their instructions to subordinates and co-conspirators. Their principal means of communication to maintain national and international criminal enterprises is the telephone. In some instances bugging devices may be necessary when subjects avoid telephonic communications.

During 1989, the FBI employed Title III electronic surveillances in 36 instances, including initial installations and extensions, against primarily Colombian/South American, Mexican, Italian and Asian cocaine and heroin trafficking conspiracies. The Drug Program is steadily increasing its use of the Title III investigative technique. With a projected 37 Title III requests in 1991, the use of these electronic surveillance monitors is imperative to process resulting information properly. Additionally, these support positions would relieve agent personnel of clerical responsibilities and allow them to concentrate on analyzing Title III results and dealing with unaddressed work in efforts to dismantle major drug trafficking organizations through sustained investigations and the seizure and forfeiture of the assets of major drug traffickers.

Forfeiture Analysts - Field 50 special support positions (18 workyears) and $927,000.

The 50 special support positions are required to support the FBI's forfeiture activities in the field offices. There are 72 full-time and 49 part-time Investigative Forfeiture Assistants (IFA) assigned to the field offices. Forfeiture actions are increasing at a rate of 50 percent per year, and a larger increase per year is projected beginning in 1990 when the FAST are fully operational. Each team is staffed by two special agents and three IFA's and their efforts should result in the value of pending forfeiture actions increasing from approximately $400 million as of December 31, 1989. Additional pending forfeiture actions with a value of $420 million resulting from two RICO cases have been excluded from this amount due to the unique and unusual circumstances surrounding the investigations. The value of pending forfeiture actions is expected to reach approximately $550 million in 1991. In 1991, 122 full-time IFAs and 49 part-time IFAs would be required to support the volume of seizures projected.

The 50 forfeiture positions are necessary if the FBI is to continue to effectively utilize forfeiture sanctions and to process requests for the sharing of Federally forfeited property with participating State and local police agencies. If the FBI is unable to adequately staff forfeiture operations many potential forfeiture actions would go unidentified; delinquencies would number in the thousands; and the processing of our forfeiture cases would become backlogged.

Undercover Operations $6,674,000.

Over the past several years, the number of long-term undercover operations (UCOs) opened has increased annually, from 157 during 1987 to 190 in 1990. At the same time, the costs associated with UCOs, especially in the area of purchase of evidence, have increased dramatically. With the FBI's emphasis on attacking the illegal activities of organizations and individuals involved in high-level drug trafficking, considerable amounts of funds are being expended to conduct effective operations directed against these groups.

The undercover technique has opened avenues of investigative pursuit not available in the context of the traditional investigative process. It is used when there is sufficient predication that criminal activity already exists. The presence of an undercover agent provides firsthand testimony relating to the nature and the scope of the criminal activities; the extent of involvement of the various offenders; and the location of evidence items. Undercover agents are often able to obtain evidence relating to the knowledge, intent, and predisposition of the individuals involved in criminal activity, which, combined with the use of audio and/or video tapes, produces the strongest and most convincing evidence in a court of law. Undercover agents have the ability, in certain situations, to penetrate the highest levels of criminal activity, which heretofore were unreachable.

The undercover technique allows for a more effective and safer use of sources and informants, since the information obtained from the undercover operative may preclude the necessity for sources/informants to testify in court. In addition, undercover operatives often obtain evidence of planned crimes, which affords the FBI the opportunity to take a proactive approach, rather than investigating solely after the fact, and in some cases, prevent the crime. The undercover technique can also assist in developing the information required to implement other investigative tools, for example, by furnishing the probable cause for non-consensual electronic surveillances Title III's. The firsthand testimony of the undercover agent increases the chance of conviction and, thus reduces the necessity to offer immunity or reduce charges against the defendants. As a result, individuals are more inclined to offer assistance in the investigation and prosecution of higher echelon subjects.

The use of the undercover technique by the FBI to investigate major drug trafficking is essential. An undercover operation affords the opportunity to conduct the investigation over an extended period of time without the suspects becoming aware they are being investigated. The operation can identify individuals who comprise the different levels of the organization, to include growers/producers, importers, distributors, and financial backers. Information may also be developed regarding corrupt law enforcement officials and/or other public officials who are paid by the drug traffickers for protection, or to look the other way. The undercover operation directed against drug traffickers can also evolve into a money laundering operation, which can trace the assets of the subjects and uncover the entire structure of the organization. The number and scope of undercover operations directed against the illegal drug trafficking organizations would continue to increase through 1991, and as a result, the cost of undercover operations would continue to escalate. Drug undercover operations require considerable resource commitments for the operation to be successful. Undercover agents, portraying high-level traffickers, must have adequate funds available to successfully convince the individuals being investigated that they are truly what they appear to be.

Informant Payments $2,773,000.

The Criminal Informant Program (CIP) is one of the FBI's most essential and cost effective programs. Of all the investigative techniques being employed by the FBI, the utilization of criminal informants is arguably the most effective and successful. Strategically positioned informants have been at the very core of virtually every major long-term criminal investigation conducted in recent years.

Expenditures are exceeding available funding. In 1989, the FBI expended approximately $2.3 million for drug informant payments. These over expenditures have required the diversion of resources from other critical areas of confidential funding to achieve the benefits informant information provides to criminal investigations.

Drug Intelligence Analysts - Field - 38 special support positions (13 workyears) and $924,000.

In 1991, 38 special support positions are requested to implement Phase One of the Drug Information Systen (DIS) data base for all FBI drug intelligence. These Drug Intelligence Analysts (DIAs) would be responsible for field aspects of the computerized, multi-source, central drug intelligence base, including intelligence reports, case support, and field drug program matters. The Drug Intelligence analyst would extract and consolidate pertinent information from drug data bases; utilizing link analysis these analysts will be able to track the progress of an investigation in uncovering conspiratorial interrelationships; criminal hierarchical charting; set out geographic maps showing drug smuggling routes as narrowly-focused depictions of city and neighborhood locations where conspiracies exist; and review video/closed circuit television surveillances of intercepted conspiratorial meetings. The DIAs would generate substantial proactive intelligence reports and queries as they conduct research and intelligence analysis utilizing the single comprehensive, integrated DIS.

Language Specialists - Field - 50 special support positions (18 workyears) and $1,100,000.

Due to the current high number and continuing influx of international drug trafficking organizations into the United States, 50 Language Specialists are needed to monitor and translate non-English language conversations, writings and electronic interceptions. In 1989, 59 Language Specialists positions were used to support drug investigations. An additional need exists for Language Specialists for languages other than Spanish since agents with foreign language abilities are still being used on foreign language Title III's and other related translation assignments in support of the Drug Program. Additionally, the agents who would no longer be needed for translation duties would be used for investigative responsibilities in the Drug Program, in support of the FBI's NDS.

FBI investigative responsibilities mandate a full complement of full-time Language Specialists to address the foreign languages most frequently confronted in drug conspiracies, including Spanish, Italian, Sicilian, and Chinese. Not only is it cost effective to hire FBI Language Specialists, but it allows for a better trained and experienced work force, which is desirable because of the statutory minimization requirements of Title IIIs.

The FBI's NDS focuses its investigative resources on the major drug trafficking organizations posing the greatest threat to this country. Many of these groups communicate in languages other than English; therefore, an increase in the number of drug investigations requires a proportionate increase in Language Specialists. Limited resources would have a detrimental impact on the number of international drug investigations being conducted. The additional 50 support positions would relieve agent personnel of non-investigative activity, allowing them to concentrate their efforts in dismantling major international drug trafficking organizations.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
White-Collar Crime..........	3,435	3,343	$218,673	3,435	3,343	$237,387	3,810	3,388	$246,548	375	45	$9,161

Long-Range Goal: To reduce losses in Government programs and private sector businesses from corruption, fraud, and embezzlements; and to provide investigative assistance to the Department of Justice, including United States Attorneys throughout the United States, in civil and antitrust matters.

Major Objectives:

To identify, investigate, and obtain prosecution in: major fraud against the Government cases involving illegal practices by program and management officials and officers of firms doing business with or for the Federal Government; Federal violations involving systemic corruption by Federal, State, and local public officials, as well as private citizens acting in complicity with corrupt public officials; Federal fraud, bribery, and embezzlement violations, particularly those that result in the financial institution's failure; Federal fraud violations committed by officers, directors, and major stockholders of financial institutions; and Federal fraud violations committed by major companies involved in the illegal disposal of toxic waste.

To establish new and innovative means of collecting and collating White-Collar Crime Program data from multiple sources in order to identify high impact white-collar criminal organizations for subsequent investigations.

To support the Antitrust Division of the Department of Justice in the enforcement of antitrust statutes in high-impact cases by conducting the necessary investigations.

To support the Civil Division of the Department of Justice and United States Attorneys throughout the country in representing significant Government interests in civil matters.

To identify, investigate, and obtain criminal prosecution under recent Federal statutes concerning significant trademark counterfeiting, computer fraud, and bankruptcy fraud.

To support and participate in the efforts of the President's Council on Integrity and Efficiency, the Attorney General's Economic Crime Council, and the Interagency Bank Fraud Enforcement Working Group to coordinate a unified attack on high impact white-collar crime.

To assist other Federal, State, local, and foreign law enforcement and regulatory agencies in making a coordinated and effective attack on white-collar crime.

To insure that White-Collar Crime Program management provides sufficient coordination, direction, and resources to enable the FBI to address all priority investigations.

To plan and implement undercover operations directed against the subjects of significant white-collar crime investigations.

To recruit, direct, and maintain white-collar crime informants, cooperating witnesses, and confidential sources and enhance liaison with professional associations and private businesses in order to maintain an adequate intelligence base concerning white-collar crime matters within the investigative jurisdiction of the FBI.

To promote the utilization of electronic surveillance investigative techniques in white-collar crime investigations.

Base Program Description: White-collar crime is defined as those illegal acts which are characterized by deceit, concealment or violation of trust and which are not dependent upon the application or threat of physical force or violence. Such acts are committed by individuals and organizations to obtain money, property, or services, to avoid the payment or loss of money or services, or to secure personal or business advantage.

The FBI has established three major priorities within the White-Collar Crime Program. They are: fraud against the Government, matters involving United States Government officials (and/or losses exceeding $25,000), bribery and other public corruption involving Federal officials, and environmental crimes (Government Fraud); Federal, State, and local public corruption (Public Corruption); and financial institution fraud and related activities (Financial Crimes).

Accomplishments and Workload: The White-Collar Crime program's workload and accomplishment indicators are set forth in the following table (dollars in thousands):

			Estimates	
	1988	1989	1990	1991
INVESTIGATIVE MATTERS:				
Beginning	21,594	21,943 (1)	21,025	20,075
Received	48,082	52,906	56,350	64,050
Resolved	48,935	53,824	57,300	65,120
Remaining	20,741	21,025	20,075	19,005
JUDICIAL PROCESSES INITIATED:				
Convictions	4,289	4,251 (3)	4,600	5,230
Pretrial Diversions	332	308 (3)	345	391
Fines	$ 45,854	$ 52,492	$ 53,500	$ 62,925
Recoveries(2)	$638,346	$893,849	$955,000	$1,085,500
Potential Economic Loss Prevented (PELP)	$815,933	$1,504,575	$1,623,500	$1,845,350

	1988	1989	Estimates 1990	 1991
Claims Against the Government				
Filed	$247,150	$262,357	$280,000	$319,100
Settled	34,100	36,391	38,200	43,500
Claims by the Government				
Filed	$31,750	$33,893	$35,300	$40,150
Settled	20,100	21,456	22,500	25,650

(1) Increase in investigative matters at the beginning of 1989 from those pending at the close of 1988 reflects the transfer of investigative responsibility for non-La Cosa Nostra corruption matters from the Organized Crime program to the White-Collar Crime program.
(2) Includes recoveries and restitutions.
(3) The figures set forth here do not total to those specified under the narrative accomplishments that follow. The difference of 23 other convictions and pre-trial diversions relate to jury panel, contempt of court, obstruction of justice, perjury, and bondsmen and sureties violations.

Governmental Fraud: During FY 1989, 807 convictions and pretrial diversions, recoveries and restitutions totaling $258.8 million, and fines totaling $29.5 million were recorded within this investigative subprogram.

In a major investigation concerning governmental fraud and corruption, code named "ILLWIND", in the Department of Defense (DOD) weapons procurement process, approximately 200 subjects have been identified as involved in various schemes to defraud the United States Government through bribery and other means to corrupt the procurement process. The first of a series of indictments was returned in January, 1989. As of December, 1989, 27 individuals and four corporations have pled guilty to various felony violations. Investigation continues to accelerate as additional defendants agree to cooperate.

A joint investigation is being conducted by the Washington Metropolitan Field Office and the Office of Inspector General-Department of Housing and Urban Development (OIG-HUD), into allegations that Washington D.C. area real estate brokers were involved in a scheme to defraud Veterans Affairs (VA) and Federal Housing Administration (FHA), a component of HUD. These brokers submitted documents to VA and FHA that falsely inflated the market values of property, purported to establish the bona fides of "straw" or non-existent buyers, and falsely reported employment and earnings data on otherwise unqualified borrowers. During 1989, seven additional subjects were convicted, bringing the three year total to 34. Investigation is continuing and additional plea agreements and indictments are anticipated.

Public Corruption: During 1989, 459 convictions and pretrial diversions, recoveries and restitutions totaling $21.8 million, and fines totaling $10.3 million were recorded in this subprogram.

In a major investigation into allegations of corruption within the California State Legislature, conducted by the Sacramento Field Office, a number of subjects have been developed, including legislators and/or their aides, who solicited money in exchange for their support of specific legislation. In May, 1989, a State senator and his aide were indicted. The Senator is currently in trial and the aide's trial is scheduled for January, 1990. In November, 1989, a former State Senator was indicted and is awaiting trial. A former undersheriff and a sheriff have also been indicted in related matters. The undersheriff has entered a guilty plea while the sheriff awaits trial. The investigation is continuing and additional indictments are anticipated.

A two year undercover operation in Mississippi resulted in 74 subjects, including 56 county supervisors, being charged with Hobbs Act, Mail Fraud, and Conspiracy, following indictments stemming from extensive kickback schemes related to systemic corruption in the purchase of road construction materials throughout the State. Seventy-one subjects have been convicted as of December, 1989. The investigation is continuing.

Financial Crimes: During 1989, there were 3,270 convictions and pretrial diversions within this subprogram, of which 2,174 or 66 percent were bank related. Fines totaled $12.7 million, and recoveries and restitutions totaled $612.2 million.

On December 6, 1989, Woody F. Lemons, the former Chairman of the Board of Vernon Savings and Loan Association (VSLA) was convicted by a jury on all thirteen counts of an indictment charging him with Bank Fraud and Conspiracy. Patrick G. King, the former President of VSLA, was convicted in September, 1989. The VSLA was closed in 1987 at a cost to regulators of $1.3 billion and represents the largest failure under investigation by the Dallas Bank Fraud Task Force. The efforts of the Dallas Bank Fraud Task Force have resulted in charges against 57 subjects, with 45 convictions recorded as of December, 1989. This task force consists of Assistant United States Attorneys, FBI agents, the Internal Revenue Service, and Office of Thrift Supervision examiners. The task force is investigating allegations of fraud in 26 failed Savings and Loan Associations in the Dallas area. The total loss which was insured by the former Federal Savings and Loan Insurance Corporation is estimated at $10.5 billion.

On October 21, 1988, the Federal Grand Jury in the Southern District of New York, returned a four-count indictment which charged former Philippines President Ferdinand Marcos and his wife Imelda, with Racketeer Influenced and Corrupt Organizations, Fraud by Wire, Mail Fraud, and Obstruction of Justice. The indictment primarily focused on financial transactions which resulted in the Marcos' acquisition of four major real estate properties through nominee buyers. These New York properties were purchased for a total of over $188 million. In addition, indictments were returned by a New York Federal Grand Jury on October 11, 1988, charging eight of Marcos' associates, including international financier Adnan Khashoggi, and one Marcos-controlled bank with various fraud charges and Racketeer Influenced and Corrupt Organizations. On July 19, 1989, Adnan Khashoggi was extradited to the United States from Switzerland. At his arraignment Khashoggi pled not guilty to the mail fraud and obstruction of justice charges. The RICO charges were dropped as part of his extradition agreement. Khashoggi was released from custody after posting a $10 million bail. To date, seven Marcos' associates remain fugitives. On September 28, 1989, Ferdinand Marcos died of natural causes in Honolulu, Hawaii. The trial date for Imelda Marcos and Adnan Khashoggi is scheduled for March 14, 1990, in the Southern District of New York.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
White-Collar Crime................................	3,435	3,343	$237,387	3,810	3,388	$246,548	375	45	$9,161

For 1991, a net program change of 375 positions (45 workyears) and $9,161,000 is proposed for the White-Collar Crime program. Program increases of 440 positions (110 workyears) and $12,416,000 for the field are proposed to address DOD procurement fraud, Bank Fraud and Embezzlement matters, Fraud by wire, and Bankruptcy Fraud investigations. A program decrease of 65 positions (65 workyears) and $3,255,000 is also proposed.

Program Increases:

Department of Defense Procurement Fraud: 120 agent positions (30 workyears), 78 general support positions (20 workyears) and $5,349,000.

A continuing priority of the FBI's White-Collar Crime program is the investigation of Department of Defense (DOD) procurement fraud matters. Bribes and kickbacks paid to Government employees, contract labor mischarging, and defective pricing in negotiated contracts have resulted in millions of dollars in wasted Government expenditures. Of additional consequence is the heightened concern for safety and defense preparedness such as faulty products or components and non-conforming, substandard goods.

Due to the size and scope of the DOD budget, the extent of the procurement fraud problem is difficult to estimate accurately. To more effectively address the overall problem, the FBI initiates investigations aimed at uncovering systemic procurement fraud. In these types of investigations, the FBI seeks to penetrate core elements within the Government and/or private sector that are acting in concert to defraud Federally-funded programs. This investigative strategy often requires the use of highly sophisticated, personnel intensive investigative techniques such as undercover operations, electronic surveillance, and physical surveillance. Yet, while the resource utilization can be exhaustive, these types of investigations allow the FBI to identify seemingly unrelated or previously undetected incidences of fraud and obtain irrefutable evidence of criminal activities. In addition to the substantial cost to the Government, defense frauds may imperil the safety and capabilities of the United States Armed Forces.

From 1987 to 1989, DOD fraud investigations increased from 1,656 to approximately 1,900. This 15 percent increase in investigative matters has resulted, in part, from initiatives undertaken by the FBI with the Defense Procurement Fraud

Unit (DPFU) of the Department of Justice, the Defense Contract Audit Agency (DCAA), the Defense Audit Service, and various DOD internal investigative agencies to provide for referral of criminal cases at an early stage when the DOD is the victim. Whenever possible, the FBI initiates joint investigations with DOD investigative agencies in order to economize resources and utilize the DOD's in-house expertise.

An increase of resources to address this type of fraud is needed in 1991 in order for the FBI to expand on and maintain investigative inroads currently being made in the "ILLWIND" DOD Procurement Fraud investigation. With a further increase in caseload projected from new efforts being mounted in the classified defense contract area; continued reporting of suspected irregularities by DCAA; continued reporting of cases under a Memorandum of Understanding developed in 1984 between the DOJ and DOD, which established a framework for undertaking joint investigations with various military investigative agencies, and from spin-off investigations from existing investigations, an additional 120 agent and 78 general support positions are needed.

During 1989, funding of approximately $9.8 million (personnel and nonpersonnel) was obligated for FBI Defense Fraud investigations. During the same period, these investigations resulted in monetary accomplishments of $214,476,665 for a return to funding ratio of $21.94 to $1.00. This ancillary benefit is in addition to the FBI's primary focus on prosecution and its associated deterrence value.

Bank Fraud and Embezzlement: 42 agent positions (10 workyears), 26 general support positions (7 workyears) and $1,798,000.

Epidemic bank and savings and loan failures are among the most significant problems facing the United States today and are contributing to a dramatically increasing bank fraud and embezzlement workload for the FBI. The number of failed/merged financial institutions under investigation due to fraudulent criminal activities has grown to over 400. In the eight year period from 1984 through 1988, a total of 1,219 financial institutions across the country failed. Based on statistics through August 31, 1989, the FBI had 7,991 bank fraud and embezzlement matters pending of which 3,780, or 47 percent, were major bank fraud and embezzlements where fraud losses were in excess of $100,000. These figures represent a 44 percent increase in total bank fraud and embezzlement caseload pending from the end of 1984 to the end of 1989. More significantly, major bank fraud and embezzlement matters, where fraud losses were in excess of $100,000, increased 68 percent during the same time period.

At present, there is no indication that this upward trend in bank fraud and embezzlement matters would abate. It is noted from recent information, through Congressional testimony and the media, that the Office of Thrift Supervision has an additional 350 troubled institutions that have not been allowed to fail. Many of these have probable fraud-related problems associated with them, and audits by the Office of Thrift Supervision or other regulatory agencies are expected to result in numerous referrals. The growth and nationwide scope of bank fraud and embezzlement has resulted in the designation of this crime problem as the top priority of the Attorney General's Economic Crime Council, coequal to DOD procurement fraud, and a top priority of the Bush Administration.

In a report issued October 13, 1988, entitled "Combatting Fraud, Abuse, and Misconduct in the Nation's Financial Institutions: Current Federal Efforts are Inadequate" by the House Committee on Government Operations, the FBI and Department of Justice were criticized for an inadequate response to this problem. The basis for this criticism was primarily "...acute shortages of sufficiently compensated and experienced prosecutors and investigators to handle these complex cases," and "the lack of funding to support bank fraud investigations in the Fraud Section, DOJ, and the FBI now or in the budgets currently in Congress."

In 1984, the FBI utilized 838 agent workyears on financial crime matters. Of these 838 workyears, 335 agent workyears, or 40 percent, were utilized on bank fraud and embezzlement matters. Two hundred twenty-six or 67 percent of the 335 agent workyears expended on bank fraud and embezzlement matters were utilized on matters where fraud losses were in excess of $100,000. In 1989, the FBI utilized 947 agent workyears on financial crime matters, of which 470, or 49 percent, were utilized on bank fraud and embezzlement matters. Three hundred fifty-four or 75 percent of the 470 agent workyears expended on bank fraud and embezzlement matters were utilized on matters where fraud losses were in excess of $100,000.

From the period of 1984 through 1989, resource allocation to overall bank fraud and embezzlement matters increased by 40 percent. Even more dramatic is the 56 percent increase in resources devoted to major bank fraud and embezzlements (where losses exceed $100,000) during the same time period. While this resource allocation is consistent with the FBI's objective of addressing the highest priority and highest impact cases, a large part of this increase has resulted from reallocation of agents away from other priority white-collar crime investigations.

Notwithstanding the immense reallocation of agent resources by the FBI to the bank fraud and embezzlement crime problem over the last several years, the FBI has been unable to fully address the existing bank fraud and embezzlement workload. In a number of field offices, including Dallas, Houston, Los Angeles, Little Rock, and New Orleans, the lack of investigative resources has resulted in raising the effective dollar value floor determining priority cases, or has made it difficult to adequately address identified bank fraud and embezzlement crime problems. For example, the Los Angeles Field Office has reported that, due to resource restrictions and high concentration of bank failures and other high priority financial crimes cases in its territory, it is unable to effectively address those bank fraud and embezzlement cases in which the criminal fraud loss to the financial institution is below $250,000. FBI experience shows that fraud-related failures take up to four years to investigate due to the complexity of the investigations. The FBI is constantly striving to improve its investigative techniques to reduce this time, but has been only partially successful. Because of the enormous amount of resources expended on fraud-related failures or mergers, a number of other priority cases are not being investigated, resulting in an increase of pending year-end caseload in this area. Delays resulting from resource limitations and reallocations create problems for an initiated investigation due to statutory limitations on financial crimes, more voluminous and complex records, and accounting analyses that must be completed.

During 1989, FBI bank fraud and embezzlement investigations were funded with approximately $52,796,530. During this same time period fines, recoveries, and restitutions achieved as a result of these investigations totaled $455,866,673. Thus, FBI investigations of bank fraud and embezzlement matters resulted in monetary accomplishments of $8.63 for each funded dollar during 1989. This result is ancillary to the FBI's primary focus toward criminal prosecution and fraud deterrence. The recent and projected growth previously cited in the FBI's bank fraud and embezzlement caseload, the unaddressed workload, and the time consuming and personnel intensive nature of Bank Fraud and Embezzlement investigations necessitate further resource allocations to this investigative area. Therefore, the FBI is requesting an enhancement of 42 agent and 26 general support positions to augment current investigative efforts for 1991.

Fraud by Wire: 70 agent positions (17 workyears), 46 general support positions (12 workyears) and $3,061,000.

Frauds are perpetrated upon citizens of the country by greedy, unscrupulous individuals through the use of advance fee schemes, boiler rooms, telemarketing schemes and ponzi schemes. The major concentration of FBI resources in this area is devoted to significant international and national fraud schemes by con men whose individual victims lose millions of dollars. The emergence of technological advances in the daily conduct of business has made routine transactions more efficient, but has created new and complex problems for the FBI. Among the areas of concern are frauds perpetrated by individuals utilizing telemarketing schemes and major commodity and securities manipulations. Technological advances have given con men new tools with which to ply their trade.

Boiler room operations continue to be concentrated in the southeast and the west. Boiler room task forces are in place in Miami, San Diego, Los Angeles, and Las Vegas. The task force is viewed as an efficient method to address the boiler room/telemarketing fraud problem. However, the proliferation of this genre of fraud has made additional resources an absolute necessity. For example, literally hundreds of these schemes are not being addressed in southern California because of resource limitations. Additional resources would permit the assignment of agents to address this high profile problem. The victims of boiler room operations have been investing and losing their life savings, retirement income, and daily living expenses.

Investigative commitment continues to increase in the area of securities fraud matters. Complex financial schemes in the securities area require additional resources to address insider trading, stock manipulation, and frauds perpetrated by participants of the securities industry. Effective liaison with securities regulators through the Securities and Commodities Fraud Working Group continues to identify significant criminal violations in areas traditionally regulated through civil action. The FBI is addressing this problem through traditional investigative techniques augmented by effective use of court ordered electronic surveillances and undercover operations. The need to aggressively pursue these individuals who attack the basis of economic institutions must continue to be appropriately funded.

The specific needs in the securities enforcement area have been addressed in personal discussions between the Chairman of the Securities and Exchange Commission and the Director of the FBI with agreement on cooperative joint efforts. In 1988, the FBI was funded approximately $36.7 million (includes personnel and nonpersonnel) to investigate Fraud by Wire matters. In the same year, these investigations resulted in monetary accomplishments of $277.2 million. In 1989, the FBI was funded approximately $41.1 million (personnel and nonpersonnel) for fraud by wire investigations resulting in $115.4 million in monetary accomplishments (includes fines, recoveries, and restitutions) for a Returns to Funding ratio of $2.81 to $1.00. Also in 1989, estimates based on statistics acquired through August 31, 1989, the total investigative origin matters received was 2,864. Fraud by Wire cases nearly always involve multiple field offices. In 1989, an estimate of 7,658 auxiliary matters were received.

The proliferation of Fraud by Wire matters has made additional resources a necessity. For example, literally hundreds of these schemes are not being addressed in southern California because of resource limitations. In Los Angeles, there are 300 known Boiler Rooms in operation. In San Diego, there are 13 known Boiler Room operations, but there are not enough resources to open cases on these operations. Additional resources would permit the assignment of agents to address this high profile problem. The victims of boiler room operations have been investing and losing their life savings, retirement income, and daily living expenses.

Bankruptcy Fraud: 17 agent positions (5 workyears), 11 general support positions (1 workyear) and $800,000.

The number of bankruptcies in the United States has increased dramatically between 1980 and 1989. This increase is partially due to economic conditions, but is also due to recently enacted amendments to the bankruptcy law which have had the effect of liberalizing the process. The increased caseload has severely strained the ability of the bankruptcy court to monitor the progress of individual cases, which in turn has greatly enhanced the opportunity for fraud. In some cities, there is a widespread belief that there is a virtual license to steal by committing bankruptcy fraud.

It is readily apparent that the sheer volume of cases and dollars flowing through the system, in and of itself, offers a ripe opportunity for abuse. This abuse, known to exist, is largely unaddressed. FBI resources are concentrated on major "bust-out" operations, the organized type of bankruptcy, leaving individual type fraud cases, even those involving millions of dollars, too infrequently investigated.

On October 26, 1986, then President Reagan signed into law the "Bankruptcy Judges, U.S. Trustees, and Family Farmer Bankruptcy Act of 1986", which greatly expanded the U.S. Trustee Program. The sizeable increase of officials involved in addressing the bankruptcy backlog has resulted in an increase in the number of bankruptcy fraud referrals. The United States Trustee is the Government's "watchdog" in identifying fraud within the bankruptcy system and referring matters to the FBI and U.S. Attorney's Office for investigation and prosecution. The United States Trustee actually seeks and encourages prosecution of these cases to establish the necessary deterrence and actively support such prosecution through expertise in understanding complex bankruptcy matters and investigative/prosecutive support. Research conducted by VISA Bankcard determined that one-third of the 600,000 bankruptcies filed in 1988, were fraudulent or were, in one way or another, connected with some type of fraudulent activity. Due to the morass of paperwork and the complexity of the bankruptcy procedure, fraud is easily hidden, and as the research indicates, is rampant.

The bankruptcy courts have swelled with the onslaught of bankruptcy filings. In addition to having an impact on the courts, the massive number of bankruptcy filings also are having an effect on FBI workload. Efforts are currently underway between White-Collar Crime agents and members of the United States Trustees office to closely examine and screen all of the cases coming to the attention of the bankruptcy courts. It is anticipated that with the current number of bankruptcy matters the FBI has together with the increased liaison with the Trustee's office, additional agents will be required to adequately address this area of fraud.

During the economic boom years of the 1970's and the early 1980's, venture capital was easily obtained by fledgling entrepreneurs who desired to set up business in north Texas. These conditions of easy money from rapidly growing savings and loan institutions created millions of dollars in loans that would be defaulted due to not only bad economic conditions, but also to massive fraud. These same conditions caused hundreds of businesses to develop and/or grow beyond their realistic means and later to sink into bankruptcy.

Debtors, who are faced with bankruptcy, may hide their assets prior to filing bankruptcy and/or otherwise make gross misrepresentations to the U.S. Bankruptcy Court in order to fraudulently convert assets rightfully belonging to creditors to themselves. Bankruptcy "specialists" are acting in concert with bankruptcy trustees, attorneys, and auctioneers to deceive the bankruptcy court and embezzle and/or steal assets from the estates.

The impact of bankruptcy matters began to manifest itself during 1989 and is a growing crime problem. The FBI anticipates that the current operations will expand and reveal other areas of bankruptcy crimes.

An increase of resources in 1991 would allow the FBI to begin addressing this problem. An additional 17 agent and 11 general support positions for bankruptcy fraud matters are being requested for 1991 to address a predicted increase in bankruptcy referrals as well as to address individual type fraud cases which are investigated infrequently. The FBI is the only law enforcement agency responsible for bankruptcy fraud and must maintain its support of the recently created Office Of The United States Trustee.

Accounting Technicians (ATs): 30 positions (8 workyears) and $605,000.

ATs provide an important investigative support function in a specialized area of forensic accounting. This support group provides the agents with analyses of financial records received primarily as evidence in ongoing white-collar crime investigations. These analyses are considered an integral part of the investigation and can play a key role in subsequent prosecutions. Additionally, through the ATs' analyses of these financial records, assets are often identified for forfeiture and seizure by the Government. There has been an increasing demand for the use of ATs in drug investigations which involve the laundering of money. Because of the increased use of ATs in complex investigations for the analysis of voluminous financial records for evidentiary purposes, a severe shortage of funded AT positions has resulted. The AT serves as an information resource to special agents who do not have an extensive accounting background.

Because of their specialized expertise, ATs can perform case-related accounting tasks in a more timely manner under the supervision of field agents who would otherwise have to perform these tasks personally. With projected increases in workload in investigative areas, including DOD procurement fraud and public corruption, in which ATs are of great assistance, additional ATs will be needed in 1991. Due to the immense Bank Fraud and Embezzlement problem and the new emphasis being placed on the Financial Institution Fraud Initiative, ATs will be in even greater demand.

FBI investigations which utilized ATs in 1989 resulted in 820 convictions and pretrial diversions, $9 million in fines, and $457 million in recoveries and restitutions. The FBI was unable to meet all of the requests from field offices for AT assistance in 1988. The Financial Fraud Initiative will provide an additional 100 ATs which would enable the FBI to address 97 percent of field office requests for ATs. The 1991 request would enable the FBI to fully address the total needs. Without an increase of 30 AT positions in 1991, the FBI would be forced to continue to deny AT assistance to priority investigative matters.

Payments to Cooperating Witnesses: $503,000.

The FBI extensively utilizes informants in its criminal investigations. Informants are essential to the success of these investigations as well as to the success of the FBI in fulfilling its law enforcement mission. Cooperating Witnesses (CWs) are just as essential to the FBI as informants. The most notable difference between an informant and a CW is that while both provide information to the FBI on a confidential basis, the CW agrees to testify while the informant does not. Both sources of information (the CW and the informant) are beneficial for successful investigations. In 1986, in excess of $1.2 million was expended for payments to CWs. In 1987, in excess of $2.3 million was expended on payments to CWs for services, expenses, and protection-related expenses. In 1989, approximately $3.7 million was expended for services, expenses, and protection-related expenses.

The FBI is finalizing joint revised Attorney General Guidelines on informants with the Drug Enforcement Administration. This change in policy affects the way in which CWs will be paid for services rendered. Under previous guidelines, CWs were paid on a one time basis. Under the new policy, CWs may be paid multiple times for their services and expenses.

CW's are currently paid from confidential case funds. Inasmuch as the FBI expends a substantial amount of money for the payment of CWs and this amount has increased significantly over the past three years, the FBI is requesting separate funding for payments to CWs. Confidential case funds are primarily designated for purchase of evidence, rental of property or vehicles, and other investigative expenses. If the FBI is not provided with separate funding for CW payments, these payments for CWs will continue to be charged to confidential case funds, seriously affecting the ability of the FBI to conduct other investigative activity.

Program Decreases:

Additional program reductions totalling 44 special agents, 21 support and $3,255,000 are requested by the FBI to meet budget deficit reduction levels established by the Administration. This reduction would preclude the expansion and maintenance of investigative inroads made in Fraud Against the Government cases, such as the "ILLWIND" investigation, or to focus upon similar bribery and fraudulent activities in other areas of the Department of Defense.

Federal Bureau of Investigation

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Investigative Support	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training	379	365	$26,165	379	368	$27,843	386	362	$27,565	7	- 6	$ -278
Forensic Services-Federal	346	331	24,148	346	335	26,209	361	331	27,325	15	- 4	1,116
Automated Data Processing and Telecommunications	538	506	142,746	538	526	145,733	517	501	140,218	-21	-25	-5,515
Records Management	805	764	39,360	805	764	42,346	783	685	43,205	-22	-79	859
Technical Field Support and Equipment	208	177	64,026	208	205	61,494	209	202	62,121	1	-3	627
Total	2,276	2,143	$296,445	2,276	2,198	$303,625	2,256	2,081	$300,434	-20	-117	$-3,191

Investigative support for FBI programs is provided through training, forensic laboratory examinations and research, efficient management of investigative and administrative records, automatic data processing and telecommunications management and maintenance, and technical field support and equipment supply. In 1990, 184 workyears and $5,893,000 was transferred to reimbursable funding in the Records Management Decision Unit as a result of the Federal User Fee Program.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Training....................	379	365	$26,165	379	368	$27,843	386	362	$27,565	7	-6	$-278

Long-Range Goal: To develop and improve the investigative, managerial, and technical capabilities of FBI special agents and support personnel through research, education, and training to insure that they are prepared to carry out their responsibilities in an efficient and effective manner and in compliance with the law and Government regulations.

Major Objectives:

To provide the highest level of training services for new agents to insure that their knowledge and skills are developed to enable them to discharge their complex responsibilities in a professional manner from the outset of their careers.

To afford advanced professional training and investigative support at the FBI Academy and in the field for special agents and support personnel, enabling them to carry out their responsibilities in an efficient, professional, and effective manner.

To improve the ability of mid-level and upper level FBI executives to carry out more effectively their increasingly complicated responsibilities and provide for job enrichment and career development opportunities for support personnel through educational and training programs at the FBI Academy and in the field.

To conduct necessary research and provide evaluative, investigative, and operational assistance to FBI field and Headquarters units in areas where FBI Academy personnel have specialized expertise.

To enhance FBI/Drug Enforcement Administration (DEA) investigative operations through the continued collocation of FBI and DEA Basic Agent training at the FBI Academy.

To maintain and improve the land, buildings, equipment, furnishings, and fixtures which make up the FBI Academy complex in a manner consistent with and conducive to an effective, efficient, safe, and healthy learning and living environment.

To provide firearms and related equipment to FBI special agents to insure that they are better prepared than today's criminal element and, at the same time, to insure the safety of these agents when conducting investigations.

Base Program Description: The Training program supports the FBI's mission by developing and improving the investigative, managerial, and technical capabilities of FBI personnel through research, education, and information to insure that they are prepared to carry out their responsibilities efficiently and effectively, and in compliance with the law and

Government regulations. The Training program consists of four program elements: New Agents Training; Advanced Professional (in-service) Training and Direct Field Support; Research, Faculty Development, and Liaison; and Maintenance and Improvement of the FBI Academy's Physical Plant. The four program elements of the Training program are described as follows:

New Agents Training: The period of instruction for a special agent trainee at the FBI Academy includes, but is not limited to, the following major topics over a period of 13 weeks and three days: substantive statutory violations, national security matters, basic law enforcement and forensic skills, behavioral science, legal instruction, communications, field office administration, firearms, arrest techniques, physical fitness, professional conduct, and ethics. Newly acquired skills in these areas are applied in various practical problem and moot court situations. The new agents training staff continually reviews and modifies the curriculum for new agents' training to insure that trainees receive proper instruction in priority areas.

Advanced Professional Training and Direct Field Support: Special agents are brought back periodically to the FBI Academy for instruction in specialized areas based upon the investigative needs and priorities of the FBI. Specialized training and direct field support are also provided by FBI Academy instructors and FBI Headquarters personnel in field offices if this method is more cost-effective or responds to the particular need of a specific field office.

Research, Faculty Development, and Liaison: A limited number of FBI Academy faculty members and field instructors are pursuing graduate study in job-related areas at various colleges and universities when instructional and investigative duties permit. In addition, ongoing faculty exchange programs exist between FBI Academy personnel and the Australian, British, and Canadian Police Colleges. FBI Academy instructors attend symposia and seminars and participate in other relevant educational experiences when possible. The faculty also maintains liaison with selected foreign law enforcement agencies and several foreign and United States military counterterrorism units for exchange of training information and equipment.

Maintenance and Improvement of Physical Plant: Employees assigned to eight maintenance and craft shops perform the required maintenance and improvements for the FBI Academy complex, which includes the following: 385 acres; 25 major buildings; 23 fully-equipped classrooms; 15 training, storage, and utility structures; the Practical Problems Training Complex; and six FBI firearms ranges.

Accomplishments and Workload: Accomplishments of the Training program are presented in the following table:

			Estimates	
Item	1988	1989	1990	1991
1. New FBI Special Agents Trained/ Student Training Days (STD):				
a. Actual/Planned	656/43,178	355/27,663	836/56,848	599/44,925
b. Demand	746/53,170	536/36,448	836/56,848	599/44,925

Item	1988	1989	Estimates	
			1990	1991
2. Employees Attending Specialized/Advanced In-Service Training at Academy/STD:				
a. Actual/Planned	3,981/23,337	6,990/38,240	6,874/42,000	7,365/45,000
b. Demand	13,000/84,500	14,000/91,000	14,000/98,000	15,000/120,000
3. SAs Trained in Field & HQ/ Total Hours Training:				
a. Actual/Planned	9,596/596,368	9,592/596,576	9,000/559,756	8,500/528,658
b. Demand	9,596/586,640	9,592/596,576	9,978/622,524	10,385/653,320
4. Support Employees Trained in Field & Headquarters/ Total Hrs. Training:				
a. Actual/Planned	13,843/55,372	13,316/53,264	11,000/44,000	10,000/40,000
b. Demand	13,843/51,232	13,316/53,264	13,561/54,244	14,032/56,128
5. Academy Custodial and Grounds Maintenance - Work Hours:				
a. Actual/Planned	86,443	106,080	125,840	133,120
b. Demand	104,000	118,560	133,120	133,120
6. Academy Complex Service & Repair Work Hours:				
a. Actual/Planned	161,520	264,160	297,440	297,440
b. Demand	161,520	297,440	297,440	297,440
7. FBI Investigative Support-Cases Analyzed:				
a. Actual/Planned	217	267	250	325
b. Demand	350	450	550	1,100
8. Psychological Services:				
a. Actual/Planned	260	265	200	475
b. Demand	260	300	350	475

NOTES: Figures in decision unit workload charts which refer to students are presented in two ways: (1) the number of students and (2) student training days (STD), which is the number of students in each course multiplied by the number of training days in each course or total training hours. Projections are based on an estimated allocation of 45,000 STD for DEA training at the FBI Academy in 1990 and 40,000 STD for 1991.

Figures for new agents trained represent those who entered on duty in each fiscal year. Effective January, 1987, the training period for the New Agent Training program was reduced from 15 to 13 weeks. It was expanded to 13 weeks and three days (68 days) at the beginning of 1989.

Approximately 866 DEA employees were trained at the FBI Academy in 1989. This included 128 basic agents, 237 advanced agents, 86 diversion investigators, and 24 intelligence analysts, and others. DEA student days in 1989 constituted 12 percent of available FBI Academy space.

The statistics for special agents trained in the field and at FBI Headquarters (item #3) represent 68 hours and eight hours of mandated training for field agents and Headquarters' agents, respectively. This training, mandated by current FBI policies and regulations, is designed to maintain and improve investigative, technical, and administrative skills and includes a wide variety of instruction such as firearms, defensive tactics, Federal legal procedures, and other issues which impact on FBI investigative personnel.

The statistics for support employees trained in the field and at FBI Headquarters (item #4) represent four hours of mandated training for all field and Headquarters' support personnel. This training is designed to update support employees on administrative and operational functions of the FBI with particular emphasis on policy changes, personnel matters, and suggestions to improve efficiency and effectiveness.

With the increase in the number of personal problems resulting from shooting incidents, other life-threatening events, and specialized assignments projected in 1990, the Behavioral Science Instruction/Research Unit would utilize its existing resources to provide increased counseling and consultation to affected FBI employees and their families as well as provide FBI-wide peer support programs. It is anticipated that the demand for these services would continue to increase in 1991 (item #8).

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Training	379	368	$27,843	386	362	$27,565	7	-6	$-278

The net change of an increase of seven positions and a decrease of six workyears and $278,000, includes a program increase of 18 positions and $251,000 and a program decrease of 11 positions and $529,000 to meet targeted budget levels of the Administration.

Program Increases:

Custodial Support: 6 positions (2 workyears) and $103,000.

Six support positions (two workyears) and $162,000 are needed to perform custodial duties at the FBI Academy Complex. This request supports maintenance staff requirements at the new Engineering Research Facility (ERF).

From 1983 to 1991, the FBI Academy's gross square footage would have grown from 618,985 to 969,963, an increase of 57 percent. In addition, student capacity at the FBI Academy increased by approximately 250 students with the opening of a new dormitory in 1989. A commensurate growth of custodial staff has not ensued to keep pace with this tremendous expansion. Moreover, the maintenance staff workload demand is projected at 137,280 hours. The existing base of 54 support positions is not sufficient to complete all custodial maintenance required. A management study completed by Peat Marwick Main and Company in 1989 supports this request.

Deferred maintenance creates a neglected appearance, can cause an odor and vermin problem, and decreases the life expectancy of some surfaces. As a result of the unchanged size of the custodial staff during a period of recent physical growth, low and medium priority maintenance activities were deferred. The FBI is unable to remove and clean curtains and drapes, shampoo upholstered furniture, or wash windows (except for priority locations). The interval between stripping, waxing, and buffing resilient floors and shampooing carpets was lengthened. Also, rather than destroying confidential trash on a daily basis, it is accumulated and processed when an operator is available. In the event custodial staffing needs are not met, additional deferral of medium priority maintenance work at the FBI Academy would occur.

Operating Engineers: 8 positions (2 workyears) and $103,000.

An increase of eight support positions (two workyears) and $103,000 is requested for the FBI Academy Operating Engineer's Shop. In 1989, this facility reached the absolute minimum staffing level at which the central plant and supporting air distribution heating ventilation system can be effectively operated and safely monitored. A management study completed by Peat Marwick Main and Company in 1989 supports the need for additional operating engineers.

Operation of the new Engineering Research Facility (ERF) has had a significant impact on the Plant Operations Shop because the ERF contains a separate and distinct central heating and cooling plant from the existing FBI Academy. The USMC boiler inspector, who has jurisdiction over the FBI Academy, advised the FBI that one operating engineer must be physically located in the main mechanical room and a second operating engineer in the main control room at all times while the plant is in operation (24 hours a day, 365 days a year). Consequently, a third operating engineer is required to handle functions outside these areas and to act as a relief for the two stationary operating engineers. To staff the three engineer positions 24 hours a day with consideration for holidays, sick leave, annual leave, and training, 15 operating engineers are required. The FBI's existing staff is insufficient for the additional workload associated with ERF operations.

The increases sought are the minimum enhancements required to support a 57 percent enlargement of the FBI Academy without a curtailment of the training mission for 1991. The last increase for training support and services personnel at the FBI Academy occurred in 1986 as a direct result of the collocation of the FBI and DEA. At the end of 1986, the FBI Academy consisted of 667,088 gross square feet on 385 acres of land. In 1987, the Instructional Support Building, the Crime Scene/Motel Building, and the Maintenance Center Building were completed, and the FBI Academy's gross square footage increased to 731,418 square feet. In late 1988, the new dormitory building was completed and the gross square footage of the FBI Academy increased to 871,418 square feet. In 1989, Pod A of the ERF was completed and the enclosed building area of the FBI Academy grew to 969,963 square feet. Construction of Pod B of the ERF is anticipated to begin in 1990. The rapid growth of the FBI Academy and its physical plant facilities drives the requirement for eight additional operator engineer positions (four workyears). Without these resources, the FBI will be unable to safely support the expanding instructional program at the FBI Academy and primary operations at the ERF.

Security of the Engineering Research Facility (ERF): 4 positions (1 workyear) and $45,000.

An increase of four support positions (two support workyears) and $45,000 is requested for security warders at the ERF. With the completion of ERF-Pod A in July 1989, four full-time security posts are needed. A staffing level of five persons is required to fill one security post, 24 hours a day, 365 days a year, with consideration for holidays, sick leave, annual leave, and training. The ERF is a secure facility containing highly sensitive and foreign counterintelligence projects and materials which must by law be afforded certain special security measures. Adequate security staffing is required to afford the materials proper protection and safeguards. The four posts to be staffed are one full-time front gate post, one full-time front desk post, and two full-time communications/security center posts. Twelve positions are available from existing FBI resources; therefore, the FBI requires additional support personnel for security of the FBI Academy training complex.

Program Decreases:

Program reductions totaling four agents and seven support personnel and $529,000 are proposed to meet targeted budget levels established by the Administration. This will require a reduction in some training activities for FBI employees.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Forensic Services - Federal......	346	331	$24,148	346	335	$26,209	361	331	$27,325	15	-4	$1,116

Long Range Goal: To support the Federal Criminal Justice System by insuring, through scientific means, that all physical evidence is fully used to develop as much probative information as possible to reconstruct the crime, identify the guilty, and exonerate the innocent; and to provide specialized scientific and technical support to ongoing FBI and Drug Enforcement Administration (DEA) investigations.

Major Objectives:

To provide professional, expeditious handling of Federal requests for scientific examination of physical evidence.

To assist in the prosecution of criminal matters by providing expert testimony in a full range of forensic disciplines.

To make significant progress in research projects designed to make the best use of physical evidence, stay abreast of new technology, and improve the ability to support ongoing investigations.

To provide forensic science training to Federal investigative and crime laboratory personnel to maximize the use of physical evidence in the solution and prosecution of criminals.

To provide specially designed investigative devices and apparatus, as required, for use in support of ongoing investigations.

Base Program Description: Under the Forensic Services - Federal program, FBI Laboratory examiners participate in ongoing field investigations by conducting crime-scene searches; performing special surveillance photography; executing search warrants; and providing other on-scene scientific and/or technical services as necessary. Forensic examinations of evidence are performed in the Laboratory in support of both FBI and DEA. In addition, other Federal evidence is provided as necessary to enhance prosecutive efforts. Funding in this program also supports an active and successful forensic science research program and forensic science training for Federal investigative and crime laboratory personnel at the Forensic Science Research and Training Center; specialized photographic and investigative equipment in support of ongoing investigations; oversight of such programs as the Polygraph Program, the Foreign Language Services Program, and the Photographic Equipment Program; and the training, publication, research, and operational support provided by the Bomb Data Center.

In December, 1988, the FBI Laboratory initiated a new service to the Federal law enforcement community by beginning to process evidence submissions requesting deoxyribonucleic acid (DNA) analysis. This technique promises to revolutionize the identification of individuals where certain body fluids or tissues are present. It is anticipated that DNA analyses will mature and demand will increase. The FBI Laboratory is the first crime laboratory in the United States to provide this forensic service.

Accomplishments and Workload:

Item	1988	1989	Estimates 1990	 1991 4
Forensic Science Examinations				
a) Cases addressed	10,071	7,388 1	10,900 2	11,200
b) Requests for examination completed	13,174	11,440 1	13,500 2	14,000

Item	1988	1989	Estimates 1990	 1991[4]
c) Specimens submitted for examination	84,920	87,591	92,000[2]	97,000
d) Examinations conducted	544,599	643,546	690,000	740,000
e) Days spent in testimony	818	729	700[2]	750
Related support activities				
a) Forensic science training hours devoted to new agent and in-service training	6,054	6,714	9,852[3]	9,318[5]
b) Workdays devoted to forensic research	5,351	5,200	5,200	7,540
c) Polygraph control reviews	12,880	13,219	13,500	13,500
d) Pages translated	12,962	13,547	13,987	14,787
e) Days spent in direct Investigative support	944	1,041	1,130	1,150
f) Aerial Photographic Missions	104	136	175	220
g) Photographic prints	3,594,527	3,413,481	3,835,724	4,557,724
h) Scale model demonstrative evidence	15	14	15	15
i) Investigative aids - equipment	3,386	3,246	3,750	3,750
j) Investigative aids - graphics	1,024	1,238	1,186	1,186
k) Exhibits	827	884	1,025	1,025

[1] Decrease due to contracting out urinalysis testing for the drug screening program.

[2] Increase due to drug, explosives and firearms examination support for the President's Violent Crime Initiative.

[3] Increase due to new agent and DEA agent training.

[4] Increases due to projected increases in Drug, Organized Crime, and White-Collar Crime investigations.

[5] Base level continues higher than 1989 due to proposed sustained high level of new agent training.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Forensic Services-Federal............................	346	335	$26,209	361	331	$27,325	15	-4	$1,116

The net change of 15 positions and $1,116,000 includes a program increase of 25 positions and $1,605,000 and a program decrease of 10 positions and $489,000.

Program increases totalling 25 support positions (6 workyears) and $1,605,000 are requested in 1991 for the Forensic Services-Federal program. These increases are needed for the following purposes: to handle the examination of evidence and quality assurance of the expected caseload increase in drug records analysis, magnetic media examinations, drug and explosives analyses; to improve coordination of polygraph intelligence activities; for increased involvement with drug trafficking and terrorism in extra-territorial investigations and aerial photographic missions; to administer the expanding language testing, training, and court-mandated achievement programs, and to handle the increase in requests for foreign language translations. Program decreases totaling 10 positions and workyears and $489,000 are also proposed to meet targeted deficit reduction levels established by the Administration.

Program Increases:

Drug Records Analysis: 7 positions (1 workyear) and $84,000.

Five technical and two general support positions (one workyear) and $84,000 are requested in support of drug records analysis. The President targeted illicit drug trafficking as one of the Nation's law enforcement top priorities. The FBI Laboratory's forensic support to FBI and DEA investigations, is staffed from existing personnel resources and has remained constant, whereas the caseload and workload has increased dramatically.

A typical drug conversation examination consumes three times the length of recording time. For example, a court approved electronic surveillance active for ten hours per day over a 30-day period would require 900 workhours to thoroughly analyze the recorded material. Additionally, more than 50 percent of the records and tapes in drug investigations are in Spanish, dramatically increasing the time needed to conduct those examinations. The analysis is further complicated by the short deadlines imposed by the Speedy Trial Act. The majority of drug defendants are incarcerated following arrest and are held without bond, resulting in trials within 90 days of the arrest. This causes extremely demanding turn-around times between receipt of evidence and the trial. The number of requests for examination increased 11.8 percent in 1988 and, for the first ten months of 1989, 14.1 percent. The following table sets forth the number of requests received for drug records analysis by the FBI Laboratory and projects the estimated growth.

DRUG RECORDS ANALYSIS CASES AND PERSONNEL RESOURCES

	1983	1984	1985	1986	1987	1988	1989 est	1990 est*	1991 est*
Cases Received	10	30	59	82	161	180	200	250	300
Technicians	1	2	3	4	4	9	9	9	14
Technicians in Training	0	1	2	2	1	5	5	0	5

* Based in part on an expected increase in the number of FBI agents assigned to investigate drug matters.

Magnetic Media Examinations: 2 positions (1 workyear) and $84,000.

One cryptanalyst and one computer assistant (one workyear) and $84,000 are requested to perform forensic examinations of magnetically stored information, such as computer floppy diskettes and hard disks, which may be encrypted, such as in gambling, illicit drug, or counterintelligence records. Magnetic media examinations were first established within the FBI Laboratory in 1984 as the need to translate, convert, and/or decrypt records stored on floppy disk and other magnetic storage media began to burgeon due to the proliferation of microcomputers and their use in record keeping by drug traffickers and other illicit operations. Requests for cryptanalyst examinations have increased from two in 1985 to 19 in 1986, 34 in 1987, 48 in 1988, and 63 in 1989. By 1991, 92 requests are anticipated. Furthermore, at any given time, there are at least six cases on hand, ranging in age from six months to one year. This has forced the FBI to turn down requests from other agencies for these services. To date, examinations have been accomplished with no specific augmentation of personnel resources. However, by 1991, as this service becomes more established, the increased volume would demand additional personnel resources. Without increased analytical personnel additional restrictions in services will be implemented.

Polygraph Analysis: 1 position (1 workyear) and $84,000.

A polygraph systems intelligence analyst (one workyear) and $84,000 is requested to serve as liaison with all operational entities of the FBI, as well as outside agencies. All of these entities have reporting requirements to the various oversight committees of Congress, as well as their own management, and numerous status inquiries are made of the Polygraph Unit by their analysts. Achieving an integrated information flow from field inputs is essential. As no effective system is in place, valuable supervisory time is diverted from case management to data retrieval. A current problem would serve to demonstrate this requirement. A hostile intelligence service defeated a polygraph safeguard using countermeasures. There was no way the FBI could determine how many individuals from that country had ever been tested. Laborious, time-consuming hand searches relying on institutional memory were required to respond to this threat. Only integrated data with programs designed to detect these trends can protect the FBI from further hostile penetration. The number of specialized inquiries on a day-to-day basis is now a full time job for one polygraph examiner. The complexity of polygraph testing reveals validity in a situational context which implies more accurate analysis of interacting variables and personality, purpose and cultural background is required.

Aerial Surveillance: 5 positions (1 workyear) and $84,000.

Five photographer positions (one workyear) would be used in the "Eagle-Eye" project, a new aerial surveillance photography technique capable of taking high-resolution photographs from more than a mile away. This capability is invaluable in photographing FCI, drug trafficking, and terrorist activities. In addition to taking high resolution photographs, this system would be used to assist with discreet surveillances, and to assist the FBI's emergency response teams (Hostage Rescue Team and Disaster Squad). The number of full, on-site workdays dedicated to the aerial photographic program is projected to increase to 1,100 in 1991 based upon increases experienced from 1986 to 1988 in the number of missions and photographs. Another important factor contributing to the need for additional personnel is the implementation of air-to-ground transmission of surveillance images, which began in 1989. The table details the aerial photography missions and photographs taken for 1986 through 1988 and projects the requests for missions and aerial photographs for 1989 through 1991. This chart also demonstrates the performance improvements made in personnel resource needs per mission by showing that the workdays per mission have decreased from 7.6 in 1986 to 6.2 in 1989 and is estimated to be approximately five in 1991. This has been accomplished through the use of better equipment such as stable platforms and other automated photographic aids.

AERIAL PHOTOGRAPHIC MISSIONS

	1986	1987	1988	1989 est	1990 est	1991 est
Missions	62	82	104	136	175	220
Photographs	7,690	24,894	38,866	45,000	55,000	82,500
Workdays	470	621	750	838	980	1,100

Forensic Analysis: 6 positions (1 workyear) and $84,000.

An increase of six positions (one workyear) and $84,000 is needed to effectively address a growing forensic examinations workload in the areas of analysis of explosive materials and firearms, as well as to provide drug deterrence quality assurance and auditing. These positions would be used as follows:

Two chemist positions are requested to support analytical chemistry examinations for analysis of explosive materials. The FBI Laboratory initiated a test program for explosives examinations in 1988. Results from the effort have proven to be very effective in linking explosive related investigative matters. However, by 1991, it will have grown to the point that two additional chemists would be required to effectively sustain the project.

Two chemist positions are requested to administer programs for both FBI and DEA Laboratories and the FBI/DEA Drug Deterrence Program. Because of the increasing demands by the courts on the crime laboratory examiner to provide documentation as to the soundness of his scientific methods, it is essential that the FBI Laboratory establish a program to insure the best available scientific analysis and technical services. These positions would establish audit procedures, conduct reviews of quality control procedures, and administer and expand the already existing "blind" testing programs to the FBI Laboratory, DEA regional laboratories, and the FBI/DEA Drug Deterrence Program. Duties would also include responsibility for designing and conducting quality assurance training for FBI Laboratory management and Federal, State, and local crime laboratory personnel.

One chemist position is requested to address the projected workload increase in drugs and to properly maintain the quality and calibration of laboratory instruments. Increased emphasis on cases involving drugs of abuse and recent analytical breakthroughs in the area of analyzing for drugs in hairs are causing an increase in cases. Also, a major increase of ink comparisons and ink dating would occur due to an increased emphasis on white-collar crime investigations. Laboratory chemists and toxicologists are becoming increasingly involved in analyses which can only be conducted using very complex instruments.

One technician position is requested to assist firearms examiners who are frequently selected when FBI Laboratory personnel are deployed in terrorism cases involving extra-territorial jurisdiction or in drug trafficking investigations. These are new and expanding areas of responsibility which continue to consume personnel resources. At present, domestic firearm examinations are delinquent an average of 70 percent, due essentially to the fact that the examination request workload exceeds the available personnel resources. This severely hinders the possibility of addressing new examination initiatives.

Foreign Language Translation: 4 positions and (1 workyear) and $1,185,000.

A total of four positions (one workyear), $85,000 in personnel funding, and $1,100,000 in nonpersonnel funding is requested for the FBI's foreign language translation programs. These resources would be used as follows:

A foreign language testing research specialist position is requested to assist in certification and review of approximately 5,500 language examinations per year. This position requires linguistic and psychometric knowledge as test development is complex, costly, and time-consuming.

The increased workload in Spanish language translations in support of drug trafficking investigations has created a backlog of approximately 1,200 pages. The addition of one Spanish translator position is needed to stay abreast of work in this language.

A general support position is requested to help administer the Foreign Language Achievement and Incentive Programs. Approximately 400 to 500 FBI employees are currently in this program. In addition to monitoring the progress of program individuals, this employee will continually study the effectiveness of all foreign language incentive programs. This program has been implemented as a remedial measure in the equal employment opportunity matter involving Hispanic agents. The United States District Court judge adjudicating this lawsuit has been advised of this remedial action and has so ordered it.

The FBI Laboratory's Contract Linguist Program has doubled in the last two years. A program assistant position is requested to supervise the preliminary background investigations of potential contract linguists, numbering approximately 80 at any time; coordinate security clearances; issue contracts and purchase orders with appropriate Headquarters components, and approve payment of invoices. In addition to full-time management of the Contract Linguist Program, this assistant would be responsible for recruitment initiatives, i.e., contracting for booths at conventions and ensuring appropriate personnel are available to participate.

Nonpersonnel funding totaling $700,000 is required to maintain the FBI's contract linguist and contract tester resources to augment current linguist resources. This program manages the provision of linguistic resources and language assistance in languages for which there is no FBI capability or where internal FBI resources must be augmented. Due to the sporadic nature of language needs today, the implementation of the contract linguist program has made a positive impact on the FBI's ability to investigate activities that have foreign language requirements. In 1988, the number of contract linguists increased from 63 to 78, and the number would again increase proportionately during 1989. The present budget is inadequate to support this program which plays a vital role in critical FBI drug, organized crime, and counterintelligence investigations. Reasons for this are: 1) The number of contract linguists has increased from 63 in 1988 to 89 in 1989. 2) The approximate cost for contract linguists was $1,169,000 in 1988 and estimated to be $1,675,000 in 1989. Even with the services of contract linguists, the FBI still is experiencing a backlog in transcription of evidentiary material. 3) The industry rate for linguists is $35 per hour, the FBI pays $18, thus potential resources are being lost to other contracts. 4) Finally, most work contracted to linguists is of a short term nature where unit costs are higher than normal. Currently, eighty contract linguist candidates are being processed.

A nonpersonnel increase of $400,000 is needed to provide foreign language training to special agent and support personnel, including translators and other language specialists. This training covers basic language training, maintenance and enhancement training, tuition, travel, and temporary duty expenses. Foreign language expertise gained through training directly enhances the FBI's criminal and intelligence missions. Funding requested is needed to accommodate increased costs in providing training. Tuition for the Defense Language Institute more than doubled in 1988 for approximately the same number of attendees. Additional funds are required to cover a projected increase in student population. The Foreign Language Achievement Program is expected to generate additional requirements for enhancement and maintenance courses. In addition, a considerable increase in the number of full-time Spanish students enrolled in a variety of Federal Government and non-government training courses during 1991 is anticipated. Increased requirements, such as the incentive and achievement programs mentioned above, are also creating a need for substantially increased training in additional foreign languages by current linguists. Furthermore, more stringent security clearance criteria for FBI applicants has had a severe negative impact on employing applicants possessing language skills. This has forced the need for more comprehensive language training of existing FBI personnel.

Program Decreases:

Program decreases totalling 10 positions and workyears and $489,000 are requested by the FBI to meet budget deficit reduction target levels established by the Administration. This will limit the FBI's ability to perform certain forensic examinations with the same timeliness as previously had been done.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Automated Data Processing and Telecommunications.....	538	506	$142,746	538	526	$145,733	517	501	$140,218	-21	-25	-$5,515

Long Range Goal: To support the FBI's information collection, storage, retrieval, and dissemination requirements through management of automated data processing and telecommunications (ADPT) resources and implementation of the FBI's Long-Range Automation Strategy.

Major Objectives:

To provide select FBI field locations with full Field Office Information Management System (FOIMS) functionality. This capability would be available to all FBI field offices in 1993.
To enhance secure voice communications capabilities between FBI and other agencies within the Federal Government by acquiring and installing third generation Secure Telephone Units (STU-IIIs).

To examine all data base designs initiated or brought into production for integration and conformance with FBI distributed data base architecture.

To evaluate expansion of secure voice capabilities in field offices using integrated services digital network (ISDN) technology, digital private branch exchanges (PBXs), and digital handsets.

To convert, test, and migrate FOIMS applications to a relational data base management system (DBMS) environment.

To implement production versions of labor racketeering and counterterrorism expert systems in three additional field offices, bringing the number of field offices served to six in 1991.

To modify the operational system components of the counterterrorism and labor racketeering expert systems to meet the requirements of the crime scene analysis and white-collar crime expert systems.

To evaluate automated system compliance with Federal laws, regulations, and policies; perform audits on mainframe operating systems, telecommunications networks, and artificial intelligence initiatives to ensure conformance with standards as established by both industry and the United States Government.

To improve the quality, integrity, effectiveness, and value of the FBI's data resources by designing data architecture, supporting the planning and development of FBI automated systems, and ensuring that systems developed conform to the FBI data architecture plan.

To ensure the confidentiality, integrity, and availability of FBI automated systems through policy review, certification, and accreditation; to implement system safeguards through the identification, assessment, and monitoring of the operational threats and vulnerabilities to ADP systems (risk analysis); to establish ADP contingency, disaster, and continuity plans; and to continue research and development efforts in the areas of ADP system intrusion detection (IDES and biometric techniques) and PC/network security.

Base Program Description: The Automated Data Processing and Telecommunications (ADPT) program provides information collection, storage, retrieval and dissemination support to the FBI's Foreign Counterintelligence, Criminal Law Enforcement, Law Enforcement Support, Investigative Operations and Support, and Executive Direction and Control missions. The strategic objective of this program is to improve the efficiency and effectiveness of the FBI's mission through the application of state-of-the-art information technology. Since approval of the FBI's Long-Range Automation Strategy (LRAS) in 1981, and with the support of the Administration and Congress, the FBI has made significant progress in achieving its automation goals and objectives. Baseline FOIMS capabilities, which include field office administrative functions such as word processing, case management (leads, indices, case assignments) and personnel management are now on-line to all field offices and over 400 additional field locations are supported by two regional computer support centers and a nationwide network of 4,804 intelligent workstations.

The FBI has begun implementation of the extended FOIMS operating environment, which provides functions for the following: vehicle management, time capture, evidentiary exhibits, and forfeiture activities; single source data entry; real time global query/transaction processing capabilities; the Generic Case Management System; and embedded expert systems capabilities to support investigative work functions through standardized information processing methodologies. A 1987 study of extended FOIMS cost/benefits conducted by the Institute for Defense Analyses reported that efficiency benefits--the value of time saved by investigative personnel using FOIMS to access and retrieve data rather than manually searching files--would result in cost avoidances of more than $115 million through 1992. Effectiveness benefits--the value of answers to questions that would not have been obtained using a manual search method--would total more than $4.8 billion through 1992. Overall, a 6:1 benefit to cost ratio was projected for extended FOIMS through 1992. The implementation of extended FOIMS functionality is dependent upon a secure distributed data base and processing architecture throughout the FBI.

Accomplishments and Workload: Workload and accomplishments for the Automated Data Processing and Telecommunications program are presented in the following table and narrative:

			Estimates	
Item	1988	1989	1990	1991
1. Field Office Information Management System				
a. Field office support demand (cumulative)*	58	57	56	56

Item	1988	1989	Estimates 1990	 1991
b. Field offices provided FOIMS support (cumulative)	58	57	56	56
c. Workstations required	6,500	6,500	6,500	6,500
d. Workstations available	4,052	4,804	5,394	6,305
2. FBI Headquarters Computer Center				
a. Total batch jobs requested	47,787	3,668	445,125	447,350
b. Total batch jobs processed	447,787	453,668	445,125	447,350
c. Total on-line applications	216	234	250	256
d. Total number of users	73,212	73,608	74,763	86,422

* Changes in the level of field offices are due to the consolidation of Alexandria/Washington (1988); Butte/Salt Lake City (1989); and Savannah/Atlanta (1990).

In addition, the following accomplishments were achieved during 1989:

Thirty statutes that identify elements of labor racketeering and counterterrorism violations were codified for incorporation into the knowledge bases of labor racketeering and counterterrorism expert systems. Also, 40 rules were added to these systems to provide expanded biographies on subjects to provide extensive investigative guidance.

Contracts to determine firm cost estimates for the options of constructing the proposed joint Mid-Atlantic Regional Computer Support Center/FBIHQ Computer Center, expanding existing regional computer support centers, and renovating the existing FBIHQ Computer Center were awarded. These studies were completed in August, 1989.

Computer-assisted audit techniques required for evaluating the integrity of automated information in a distributed data architecture were defined and developed.

The Generic Name Search expert system was expanded to handle Slavic names. This system is now capable of identifying names belonging to or derived from a particular nationality/language with a reliability in the high 90 percentile. The ability to track and monitor maritime vessels in real-time for interdiction purposes was enhanced through modification of mapping software and installation of an additional workstation at the El Paso Intelligence Center.

Implementation of baseline FOIMS applications was completed in 28 field offices. Baseline FOIMS capabilities are now on-line to all field divisions and 170 locations (resident agencies, legal attache posts, and off-sites).

Field agents were provided with a telephone application which provides a central repository of subscriber information which would allow agents to correlate telephone numbers across cases on a national basis.

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Automated Data Processing and Telecommunications	538	526	$145,733	517	501	$140,218	-21	-25	-$5,515

The net decrease of 21 positions (25 workyears) and $5,515,000 includes program increases of five positions and $89,000 and program decreases of 26 positions and $2,888,000 to meet targeted budget reductions of the Administration and a reduction of $2,716,000 to absorb the costs to implement Public Law 101-173.

Program Increases:

New Generation Systems Support: 5 positions (1 workyear) and $89,000.

An increase of five positions (one workyear) and $89,000 is requested to design, develop, implement, maintain and enhance a new generation of automated systems to support FBI requirements. The requested personnel resources are integral in the success of the FBI's LRAS and in providing adequate support to investigative, intelligence, and administrative information systems. This request includes two positions for the Generic Case Management System (GCMS) and three positions for the Scientific Management Information and Research System (SMIRS).

Three Computer Scientist positions (one workyear) and $77,000 are required for support of the Scientific Management Information and Research System (SMIRS) deoxyribonucleic acid (DNA) application. The FBI has initiated an aggressive research program to develop this technology for eventual implementation by State and local agency crime laboratories as well as the FBI laboratory. The DNA effort would design, develop, implement, and maintain a new computer-based system to support the analysis of DNA and the effective use of DNA profiles during the investigation and prosecution of criminal activity. Requirements include developing the following: image processing storage and retrieval capabilities; interfaces between the DNA system and the National Crime Information Center, the National Center for the Analysis of Violent Crime, and other State identification systems; a database system with established standards for management of information related to DNA coding, analysis methods, test scheduling/sequencing, and evidence tracking and control; applications to perform statistical analysis to support underlying assumptions of DNA identification; and, development of software and identification of hardware to integrate DNA information automation requirements into existing SMIRS systems.

Two Computer Scientist positions (one workyear) and $77,000 are required for the Generic Case Management System (GCMS). This system provides the architecture for an integrated system which would support all functions of any investigation conducted by the FBI. The major functional components of the GCMS are investigative and administrative. Within each of these major components are various sub-components which form the multi-level structure of the system. The development of GCMS would be conducted in phases. Implementation of the system would commence with existing and critically identified components. These initial components include tracking and analysis of telephone information, on-line Manual of Investigative and Operational Guidelines, transfer of digitized photographs, global searching of indices, preparation of documents for search warrants, grand jury testimony, and trial proceedings.

Program Decreases:

These program decreases includes the reduction of 2 agent and 24 support positions and workyears and $2,888,000 to meet targeted budget levels established by the Administration and a reduction of $2,716,000 in equipment to absorb the costs to implement Public Law 101-173.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Records Management..........	805	764	$39,360	805	764	$42,346	783	685	$43,205	-22	-79	$859

Long-Range Goal: To improve information systems and services; anticipate and adopt new capabilities; reduce the risk of loss of FBI and National Security Information through early detection of vulnerabilities and improvement of protection measures; and facilitate lawful public access to FBI records in response to Freedom of Information Privacy Acts requests.

Major Objectives:

To provide file review, name search, and locate services in response to name check requests received from Executive Branch agencies and FBI Headquarters divisions.

To provide for the protection and safeguarding of National Security Information.

To identify user requirements, conduct feasibility studies, define system requirements, initiate pilot projects and implement information systems to support records management activities.

To reduce the processing time of Freedom of Information Privacy Act requests, thus meeting the time limits set by Federal statutes.

To streamline FBI case management through the application of a Universal Case File Number to all administrative and investigative activities.

Base Program Description: The Records Management program is comprised of five major components: Administrative Unit, Office of Automation and Information Management (OAIM), Operations Section, Freedom of Information/Privacy Act Section, and the Records Section. All components support the management of FBI information during its life cycle, from collection to disposition, by establishing, implementing, and monitoring systems and procedures for the storage, maintenance, security, retrieval, quality assurance, and final disposition of the information.
The Administrative Unit coordinates personnel matters, staffing, employee relations, position classification services, training matters, and the preparation of budget submissions. This unit also coordinates long-range planning and is responsible for facilities management.

The OAIM is the single focal point for oversight of all automation initiatives sponsored by the Records Management program and provides oversight of any automation initiatives within the FBI that impact information management functions. OAIM activity is supported through Information Planning and Analysis, System Integration, Training and Technical Management, and Records Assurance and Word Processing. Information Management, Planning and Analysis is responsible for the development of an information architecture for the FBI which focuses on treating information as a key resource of the organization, the development of a long-range plan for information management within the framework of the agency's information architecture, and all new high technology information management initiatives. System Integration, Training and Technical Management is responsible for implementing new information systems, consistently monitoring and evaluating both the new and existing systems, coordination of microcomputer support through equipment distribution, training, problem management, and the development of special software applications. Records Assurance and Word Processing is responsible for managing the National Name Check Program, implementing a complete records assurance program, and reviewing the completeness, accuracy, and timeliness of data, principally in automated records systems.

The Operations Section is responsible for the FBI's Security Programs; the processing of National Security classification appeals matters and preparation of affidavits concerning National Security Information, and a classification review of records to be accessioned to the National Archives. The Security Programs's mission is the protection of National Security Information through the management of six operational activities known as Industrial Security, Security Clearance Investigations, Personnel Security, Information Security, Physical Security, and Sensitive Compartmented Information/Special Access Programs.

The Freedom of Information Privacy Acts (FOIPA) Section is accountable for the overall management of the FOIPA program both at FBI Headquarters and all field offices. It is responsible for ensuring compliance with the requirements of the Freedom of Information and Privacy Acts, as well as Department of Justice regulations implementing both Acts. The program includes processing requests for access to FBI records, answering administrative appeals, preparing affidavits and declarations in response to litigation challenging the withholding of information and records not released, and training field office personnel to ensure proper handling and coordination of requests sent directly to the various field offices of the FBI.

The Records Section is comprised of four units. Records Maintenance is responsible for mail management and the maintenance of files in the Personnel Records Subunit. The Consolidation and Records Processing Unit is responsible for the consolidating and correcting of records, processing correspondence, and implementing records-processing procedures for correspondence. Records Research is responsible for duplicating matters, field office matters, the Forms and Reports Management Desk, the Manuals Desk, the Micrographics program, and Records Disposition and Archival matters. The Special Records and Filing Unit is responsible for the maintenance of the electronic surveillance (ELSUR) index and the promulgation of ELSUR recordkeeping policy, and the maintenance of all FBI files. This unit is also responsible for the processing and control of all Top Secret/Sensitive Compartmented Information documents at FBI Headquarters.

Workload and Accomplishments: Workload and accomplishments relating to programs within Records Management are presented in the chart below:

			Estimates	
WORKLOAD	1988	1989	1990	1991
Limited background investigations	...[1]	4,015	7,628	9,278
Full field background investigations	...[1]	254	437	620
Mail to be handled	2,700,000	2,900,000	3,000,000	3,100,000
Files Requested	544,542	582,820	600,000	600,000
Names Checks Received	3,740,990	3,185,000	2,200,000[2]	2,200,000
ACCOMPLISHMENTS				
Limited background investigations	...[1]	4,015	4,015	4,049
Full field background investigations	...[1]	254	254	269
Mail Processed (single-station)	...[1]	777,256	500,000[3]	425,000
Mail Filed	1,603,598	1,779,797	1,800,000	1,170,000
Name Checks handled	3,935,435	3,168,085	2,200,000[2]	2,500,000
Records Disposition & Archival				
Files Reviewed	128,095	175,370	190,000	190,000
Privacy pages expunged	755[4]	181	200	200
Litigation/Destruction:				
Cases searched & reviewed	312	276	300	300

[1] No record kept of workload and accomplishments in 1988.

[2] Decrease due to the reduction in the number of name checks submitted under the Immigration Reform and Control Act of 1986.

[3] Headquarters will not be processing all field office mail in 1990.

[4] Special Projects.

The OAIM's accomplishments include: Field Office Information Management System (FOIMS) implementation of 100 percent of the field offices as of July, 1988, and 12 Legal Attaches as of September 30, 1989; development of an automated microfiche system as interim emergency backup to the automated Headquarters General Index; completion of feasibility studies of a bar code file tracking system and a departmental office automation system to provide distributed processing;

initiation of a study to improve name searching techniques by use of expert systems which have linguistics capabilities; initiation of feasibility studies which would allow FBI Headquarters and field offices to use existing technology to employ remote records processing procedures; and implementation of the Universal Case File Numbering system in all automated offices. Completion of study and procurement phases for the establishment of optical disk technology prototype for FOIPA request processing enhancements.

The Security program established new procedures and policies for providing a five-year reinvestigation of all FBI employees as well as notification for employees to furnish background information concerning individuals other than immediate relatives with whom they reside. The expanded scope of these reinvestigative matters is to further enhance personnel security countermeasure efforts and to thwart penetration of the FBI by hostile intelligence services.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Records Management..................................	805	764	$42,346	783	685	$43,205	-22	-79	$859

For 1991, a net change of -22 positions (-79 workyears) and $859,000 is proposed for the Records Management programs. Program increases of 75 positions (18 workyears) and $2,093,000 for both Headquarters and the field are proposed. A total program decrease of 97 positions and workyears and $1,234,000 is also proposed.

Program Increases:

Security Programs: 75 positions (18 workyears) and $2,093,000.

To enhance efforts in the protection and safeguarding of National Security Information, the FBI is requesting an increase of 75 positions and $2,093,000. This includes resources to improve countermeasures in industrial and personnel security matters. The requested resources would enhance field investigative efforts and Headquarters program activities and management. These resources are necessary to insure effective, preventative countermeasures against efforts to compromise National Security Information by those individuals and groups whose actions are inimical to United States national security.

Program Decreases:

A program reduction totaling 24 positions and workyears and $796,000 are proposed to meet budget deficit reduction target levels established by the Administration. An additional program reduction of 73 support workyears and $438,000 is proposed in anticipation of savings from contracting out certain functions of the Records Management program.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Technical Field Support and Equipment.............	208	177	$64,026	208	205	$61,494	209	202	$62,121	1	-3	$627

Long-Range Goal: To provide essential technical support and equipment to FBI field offices and conduct necessary research and development to maintain a level of technology sufficient to overcome criminal and terrorist adversaries.

Major Objectives:

To advance technology and develop new audio analysis and processing capabilities.

To develop a capability to analyze and respond to advances in digital telephone technology such as Integrated Services Digital Network (ISDN).

To complete installation of Digital Voice Privacy (DVP) Systems in 13 remaining field offices and provide needed DVP system upgrades and maintenance in other field offices.

To initiate the upgrade of the emergency high frequency radio system to include adaptive technology; to enhance the special case radio equipment available to the field to support major incidents and special investigations.

To provide improved high resolution and airborne closed circuit television (CCTV) to support enhanced physical surveillances and to replace and upgrade security CCTV systems in field offices.

To purchase tracking equipment and systems to enhance tracking capabilities against narcotics traffickers.

To initiate development of more sophisticated and effective technical devices which will provide better investigative support to the field.

Base Program Description: The Technical Field Support and Equipment (TFSE) program provides technical investigative support to FBI field offices and maintains centralized management of all field equipment to maximize its use and to expedite the completion of complex investigative matters. Frequently, investigative objectives can only be met with sophisticated technical support. All FBI field investigative programs are dependent upon the technical support and services provided by this program. The primary thrusts of the TFSE program are the development, design, engineering, acquisition, distribution, and installation of technical support equipment used for the successful accomplishment of the FBI's investigative mission, as well as the development of an adequate, trained staff to install, maintain, and assist in the operation of that equipment.

The 1991 base level reflects the proposed nonrecurral of $15,000,000 for construction of the Engineering Research Facility - Pod B, of which $7.5 million is from the TFSE program.

Accomplishments and Workload: Workload and accomplishment indicators for the TFSE decision unit are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Voice Privacy Radio				
a. Field Locations Demand [1]	59	58	57	57
b. DVP Systems Funded (cumulative)	47	58	57	57
c. Full DVP System Installations (underway or completed)	20	31	49	57
d. Offices w/full DVP Capability	59	58	57	57
Locks and Alarms				
a. Number of Entries	177	252	252	252 [2]
b. Operational Travel Days	528	644	644	644 [2]
c. Operations	72	85	85	85
Microphone/Telephone/Drilling				
a. FO Liaison (workdays)	363	363	363	363
b. Contract Liaison (workdays)	87	120	120	145
c. Operational Travel (workdays)	93	130	130	165
d. Training (workdays)	120	120	120	120
e. Equipment, Test, and Evaluation (workdays)	390	410	410	510
Electronics Technician In-Service Attendees	114	104	238	238
Frequency Management				
a. FBI Frequency Assignments	12,500	15,000	17,500	20,000
b. DOJ Frequency Assignments	20,000	25,000	30,000	35,000
c. Radio Interference Instances	12	19	26	32

[1] Field locations include field offices and the FBI Academy, Quantico, Virginia. The change in number of locations is due to the consolidations of the Alexandria/Washington Field Offices (1988), Butte/Salt Lake City Field Offices (1989), and Savannah/Atlanta Field Offices (1990).

[2] These indicators are static since they are based on maximum accomplishments of existing staff levels.

Item	1988	1989	Estimates 1990	Estimates 1991
Closed-Circuit TV (CCTV)				
a. Concealments Produced	20	20	20	30
b. Equipment (number of items provided the field)	400	350	450	600
Audio Processing				
a. Cumulative Stations Installed	6	8	10	12
b. Forensic Specimens Received	3,147	2,596	2,856	3,140
c. Forensic Specimens Examined	2,980	2,457	2,400	2,640
d. Examinations Conducted	24,883	28,534	27,000	30,000
e. Testimony Requested	40	42	44	46
f. Testimony Provided	40	42	44	46
FBI Dialed Number Recorder Usage (lines covered per year)	3,912	4,300	4,700	5,100
Cellular Intercepts	52	94	144	194
Field Recording Equipment Recorders (Open Reel, Cassette, Body)				
a. Increase Required	995	883	774	903
b. Increase Purchased	654	796	180	525
c. Obsolete Recorders	1,788	1,748	1,674	1,423
d. Obsolete Recorders - Replaced	0	0	74	251

In addition, the following accomplishments were also achieved:

All field offices have baseline DVP capability as a result of the acquisition of mini-systems. Contracts have been awarded for 57 full DVP radio systems. Seventeen systems will be fully accepted by the end of calendar year 1989. Full system designs have begun for the 23 field offices that are using mini-systems. All repeater equipment and 50 percent of the needed radio sites for FBI/DEA radio communications interoperability have been obtained.

Special case radio equipment was provided on 89 occasions to meet investigative requirements.
Special technical support was provided to United States Government agencies investigating the bombing of Pan American Flight 103 over Lockerbie, Scotland.

Automated dialed number recorder systems (ADNRS) with multi-line capability were deployed to 13 field offices in 1989. These systems will result in faster and more efficient collection and processing of dialed number information in criminal investigations. A total of 130 ADNRS units have been deployed in field offices.

Equipment and technical support to effect 94 cellular intercepts, 4,300 telephonic intercepts for dialed number information, and 254 court-approved electronic surveillances was provided.

A prototype portable repeater which extends the range of body transmitters and hand-held radios, enhances the quality of audio evidence, and increases the protection of agents operating in dangerous circumstances, was developed. Three repeaters have been delivered for test and evaluation.

More than 3,000 CCTV and over 500 items of other optical surveillance equipment (binoculars, telescopes, night vision equipment) for use during criminal investigations were provided to field offices.

Machine shop and fabrication support in over 100 instances supporting field investigations, equipment development, testing of surveillance vehicle conversions and deployment of field operational hardware was provided.

Computer numerical control (CNC) machining capability was added to the FBI fabrication shop to facilitate the fabrication and production of metal components for technical equipment developed for the field. This capability greatly reduces the time needed to produce custom devices.

A basic capability was established for integrated circuit design with the rapid prototyping facility. Fourteen separate circuits were designed and fabricated at considerable savings of cost and time.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Technical Field Support and Equipment....................................	208	205	$61,494	209	202	$62,121	1	-3	$627

Net program changes of 1 position (-3 workyears) and $627,000 are proposed for the TFSE. Program increases totaling five positions and $6,409,000 are requested for the TFSE program. These resources would directly support the FBI's Criminal Law Enforcement mission as well as the law enforcement priorities of the President and Attorney General. Enhancements requested would augment physical and electronic surveillance capabilities of the FBI to more adequately support court-approved electronic surveillances, particularly in drug matters. These types of complex investigations are increasingly dependent upon the collection of audio and video evidence to assist in the focusing of investigative resources, identify participants in criminal activities, and to aid in the prosecution of subjects. Program decreases of four positions and workyears and $1,295,000 to meet targeted levels established by the Administration and a reduction of $4,487,000 in equipment to absorb the costs to implement Public Law 101-173 are proposed.

Program Increases:

Physical Surveillance: 2 positions (1 workyear) and $3,289,000.

Drug investigations require extensive physical surveillance to establish identities of associates and locations used to conduct drug trafficking, gather evidence, and provide security for undercover agents, cooperating witnesses, and informants. The success of surveillance activities is directly related to the availability of adequate types of technical equipment and techniques used to track and observe subjects engaged in criminal activities. An increase of two electronics technician positions (one workyear) and $3,290,000 including $3,200,000 in equipment funding, is requested to augment FBI physical surveillance capabilities in drug-related investigations, described as follows:

CCTV is a key investigative and prosecutive tool that is employed to maintain discreet surveillances of subjects, buildings, and other locations. Video recordings of drug deals and meetings between traffickers and associates are used by agents to help direct investigations and aid in the prosecution of subjects by providing juries with visual evidence of illegal acts. Equipment funding totaling $1,800,000 is needed to acquire various CCTV equipment used to equip surveillance vehicles, conduct stationary surveillances, and protect FBI off-site and office space. Additionally, two electronics technicians positions and $90,000 are needed to service and maintain CCTV equipment.

Tracking devices that emit radio signals, such as vehicle tracking systems and satellite tracking beacons, are used in surveillances of drug traffickers and others involved in transporting smuggled drugs. Equipment funding totaling $1,000,000 is needed to acquire additional radio surveillance tracking systems and devices to replace existing equipment that have exceeded planned life-cycles and to expand inventories so that sufficient equipment is available to meet projected requirements.

Conducting court-approved electronic surveillances often requires a surreptitious entry to deploy and/or retrieve electronic and physical surveillance devices. A nonpersonnel increase of $400,000 is requested to acquire equipment needed to allow the FBI to maintain its ability to comply with the growing number of court-approved entries associated with drug investigations.

Electronic Surveillance: 3 positions and $3,120,000.

The increasing use of court-approved electronic surveillances in drug cases generates a demand for additional technical equipment used to collect and process intercepted conversations. Without question, the evidentiary value of recorded conversations is one of the strongest tools available to agents and prosecutors. This evidence directly places subjects as participants in drug deals and related criminal activities. To augment the electronic surveillance capabilities of the FBI, an increase of three positions and $3,300,000 including $3,120,000 in equipment funding is needed.
Funding totaling $1,200,000 is required to acquire eight digital audio transcriber workstations which allow for the efficient and timely transcription and reporting of intercepted audio conversations made from on-body recorder transmitters and from court-approved microphone surveillances. These workstations are capable of reducing by 30 to 40

percent the time required to prepare transcripts of recorded conversations. One electronics engineer position and workyear and $90,000 are needed to support and maintain workstations.

Recording and analyzing telephone number information collected by pen registers are valuable in identifying associates, contacts, and customers of drug traffickers. The FBI has developed a capability to directly download telephone call record information into its Field Office Information Management System. This automatic downloading capability eliminates the need to manually enter telephone call records and is more accurate and timely. Drug traffickers and persons engaged in money laundering activities are embracing and exploiting the latest high-technology communications capabilities to control and support drug networks and activities. Funding totaling $720,000 is needed to acquire additional dialed number recorders and software and telephone and data intercept equipment.

The successful conduct of court-approved microphone surveillances requires sufficient quantities of open reel, cassette, and digital recorders. The FBI's inventory of recording equipment is inadequate to support the repetitive requirements associated with an increasing number of drug-related electronic surveillances. Additionally, more than 1,400 pieces of recording equipment that have exceeded planned life-cycles remain in inventory and must be replaced. The failure of recording equipment during a critical microphone surveillance could result in the loss of key evidence against drug traffickers and others. An increase of $1,200,000 is needed to acquire recording equipment for deployment to field offices.

Additionally, two electronics technicians positions are needed to develop operational techniques for audio processing and field recording equipment maintenance.

Program Decreases:

Program reductions of four support positions and workyears and $1,295,000 are proposed by the FBI to meet budget deficit target levels established by the Administration. In addition, a reduction of $4,487,000 in equipment is proposed to absorb the costs to implement Public Law 101-173. The personnel reduction would defer preventive maintenance for some technical equipment items. Additionally the FBI would defer the acquisition of new and replacement furniture for field offices.

Federal Bureau of Investigation

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary

(Dollars in thousands)

Activity: State and Local Assistance	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
General Law Enforcement Training.	273	265	$19,608	273	265	$21,437	265	257	$21,040	- 8	- 8	$ -397
Forensic Services - Non-Federal..	108	105	9,542	108	105	10,194	104	101	10,001	- 4	- 4	-193
Fingerprint Identification.......	1,537	1,549	63,138	1,537	1,549	68,238	1,421	1,433	66,530	-116	-116	-1,708
Criminal Justice Data and Statistics Services............	191	186	9,655	191	186	10,230	185	180	10,035	-6	-6	-195
Total..........................	2,109	2,105	$101,943	2,109	2,105	$110,099	1,975	1,971	$107,606	-134	-134	$-2,493

This activity supports State and local law enforcement by providing training and furnishing laboratory, identification, and informational services. The FBI National Academy, the National Crime Information Center (NCIC), and the Uniform Crime Reporting (UCR) programs are several of the services funded under this activity. In 1990, 659 workyears and $24,107,000 was transferred to reimbursable funding in the Fingerprint Identification Decision Unit as a result of the implementation of the Federal User Fee Program.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
General Law Enforcement Training..................	273	265	$19,608	273	265	$21,437	265	257	$21,040	-8	-8	-$397

Long-Range Goal: To improve the investigative, managerial, and technical capabilities of local, county, State, and international law enforcement personnel through research, education, and training.

Major Objectives:

To provide training to 850 State and local law enforcement officers annually through the FBI National Academy program.

To participate in one sectional and 35 FBI National Academy retraining sessions for the 47 Chapters of the FBI National Academy Associates.

To improve the investigative, managerial, and technical capabilities of criminal justice personnel by providing continually updated education programs at the FBI Academy, at locations throughout the United States, and at selected international sites.

To conduct approximately 270 advanced-level training schools annually by FBI Academy personnel in support of the Field Police Training Program (FPTP) and to conduct 5,000 schools annually for 190,000 criminal justice personnel using FBI Field Police Instructors.

To conduct research and provide evaluative, investigative, and operational assistance in areas where FBI Academy personnel have specialized expertise.

To conduct the FBI National Law Institute for the instruction of State and local legal advisors.

To operate and promote the National Center for the Analysis of Violent Crime and administer research, training, and investigative support programs designed to assist the law enforcement community in their understanding and investigation of unusual, bizarre, and vicious violent crimes.

To provide crime analyses, criminal personality profiles, and violent crime-related information to assist the local law enforcement community in the resolution of major crimes of violence.

To publish scholarly articles by National Academy personnel on a wide variety of subjects of concern to the local law enforcement community.

Base Program Description: The General Law Enforcement Training (GLET) program directly supports the FBI's Law Enforcement Services mission, which encompasses the responsibility of the agency to provide forensic, identification, information, and training services external to the FBI. The GLET mission of the FBI is achieved by the interaction of diverse programs offered at the FBI Academy and provided through the Field Police Training Program (FPTP). The FBI Academy offers a wide variety of training programs which are made available at no cost to select criminal justice personnel. The programs range from highly technical one-week classes to the eleven-week National Academy program. The FBI Academy staff conducts research, establishes program objectives, and develops courses of instruction to meet identified training needs. Through the FPTP, over 2,000 trained FBI instructors assigned to 56 field offices and numerous resident agencies participate in local police training programs throughout the nation.

Accomplishments and Workload: Accomplishments of the GLET program are presented in the following tables:

			Estimates	
Item	1988	1989	1990	1991
1. Persons Trained in NA Program at Academy/Student Training Days (STD):				
a. Actual/Planned	797/43,835	812/44,660	880/48,455	1,000/55,000
b. Demand	3,000/165,000	3,000/165,000	3,000/165,000	3,000/165,000
2. Persons Trained at Academy in Executive Development Program/STD:				
a. Actual/Planned	120/1,440	142/1,014	166/1,660	170/1,700
b. Demand	2,500/25,000	2,500/25,000	2,500/25,000	2,800/28,000
3. Persons Trained at Academy in Specialized or Technical Program/STD:				
a. Actual/Planned	2,344/18,416	3,683/21,698	3,240/265,200	3,520/25,000
b. Demand	39,000/265,200	39,000/265,200	39,000/265,200	39,000/265,200
4. Persons Trained at Local, State, & Regional Facilities by Academy Instructors/ # of Schools:				
a. Actual/Planned	16,861/226	22,000/250	22,000/250	15,000/170
b. Demand	66,907/780	66,907/780	70,000/824	70,000/824

Item	1988	1989	Estimates	
			1990	1991
5. Criminal Justice Personnel Receiving Training at State, Local & Regional Training Facilities by FBI Instructors:				
a. Actual/Planned	165,409	150,000	140,000	150,000
b. Demand	360,000	360,000	360,000	360,000
6. Investigative Cases Analyzed:				
a. Actual/Planned	1,428	1,264	1,000	19,500
b. Demand	10,000	15,000	20,000	30,000

NOTE: Data for program workload charts which refer to students are presented in two ways: (1) the number of students and (2) student training days (STD), which is the number of students in the course multiplied by the number of training days in the course. Data is based on an estimated allocation of 45,000 STD for DEA training at the FBI Academy in 1990 and 40,000 STD for 1991.

Demand for executive development programs in 1989 through 1991 is based on minimal estimates of the training needs in the Drug Enforcement Administration, National Executive Institute, Law Enforcement Executive Development Seminar, and the National Law Institute.

Training for persons at local, State, and regional facilities by Academy instructors includes sophisticated and advanced training in such areas as forensic science, criminal psychology, labor relations, instructor development, and executive development. In addition to above cited figures in item #4, other FBI Headquarters divisions furnished training to 7,104 personnel in 122 schools in 1989.

In 1989, the Field Police Training Program included 41,565 hours of instruction at 5,791 schools. This training does not include figures cited in item #4 above.

The demand figures for 1988 through 1991 for investigative cases analyzed represent a demand for services from a fully operational and computerized National Center for the Analysis of Violent Crimes for unsolved homicides and serial violent crimes in the United States and are based upon Uniform Crime Records statistics primarily reflecting annual unsolved homicides in the United States. Approximately one-third of the current cases in the Violent Criminal Apprehension Program were received as "known offender" cases which may relate to unsolved cases. The planned estimates reflect the FBI's projected ability to address these cases in response to requests received from local law enforcement and past experience.

The planned number of investigative cases analyzed (item #6) assumes resources gained through the Comprehensive Crime Control Act of 1989 are fully utilized in 1991.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
General Law Enforcement Training	273	265	$21,437	265	257	$21,040	-8	-8	-$397

A program reduction totaling five agent positions, and three support positions (8 workyears) and $397,000 is a result of a reduction to meet targeted budget levels established by the Administration. As a result, the FBI would reduce the level of training in the Field Police Training program.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Forensic Services-Non-Federal	108	105	$9,542	108	105	$10,194	104	101	$10,001	-4	-4	-$193

Long Range Goal: To support the non-Federal criminal justice system through programs which provide specialized forensic science training to crime laboratory personnel, crime-scene training to law enforcement personnel, and cost-free examination of physical evidence and necessary court testimony for agencies which do not have access to crime laboratories or in complex cases which are beyond the capability of the local laboratories.

Major Objectives:

To utilize fully the Forensic Science Research and Training Center (FSRTC) to train State and local crime laboratory personnel to improve the ability of jurisdictional laboratories to keep pace with the rising forensic examination case load.

To share the results of successful forensic science research projects with State and local crime laboratories.

To publish the "Crime Laboratory Digest" as a means for the nation's crime laboratories to rapidly share ideas and information.

To maintain leadership in the crime laboratory community by hosting the "Annual Symposium on Crime Laboratory Development" and two additional scientific symposia and through participation in various other scientific meetings and symposia.

To provide professional and expeditious handling of requests for examination of physical evidence and provide necessary expert testimony in cases submitted by State and local law enforcement agencies.

Base Program Description: The FBI Laboratory conducts forensic science examinations of evidence submitted in connection with criminal investigations and prosecutions and provides necessary expert court testimony, without charge, for all duly constituted law enforcement agencies in the United States. All requests for examinations involving State and local matters are carefully screened. It is the policy of the FBI Laboratory to return requests from State and local laboratories when it can be determined that the contributing laboratory has the capability to perform the examination. State and local law enforcement agencies are encouraged to use jurisdictional laboratories when available. However, some law enforcement agencies still do not have access to jurisdictional laboratories and even when available such laboratories often do not have the sophisticated instrumentation and/or expertise to perform the necessary examination(s).

The FSRTC, located at the FBI Academy, Quantico, Virginia, uniquely combines forensic science research with forensic science training in a physical plant designed and equipped to meet the rigorous requirements of these activities. Federal, State, and local crime laboratory and investigative personnel receive training in courses which have been carefully selected and developed after consultations throughout the law enforcement and crime laboratory communities. Many of the courses offered are not available anywhere else in the United States. The research staff is augmented with visiting scientists from the academic community and other government agencies, and the training staff is augmented, as necessary, with experts from the FBI Laboratory. Training is normally conducted at the FSRTC; however, where proper training facilities exist, Laboratory instructors conduct specialized forensic schools in the field. Results of successful research projects are shared with the crime laboratory community.

The FBI Laboratory initiated a new service to the non-federal law enforcement community in December, 1988, by accepting evidence submissions requesting deoxyribonucleic acid (DNA) analysis. This technique promises to revolutionize identification of individuals where body fluids or tissues are present. It is anticipated that analytical analysis methods in this field will mature and the demand for examinations will expand dramatically as State and local investigators and prosecutors become aware of the technique and its identification capabilities. The FBI Laboratory is the first crime laboratory in the United States to offer this service.

Accomplishments and Workload:

Item	1988	1989	Estimate 1990	Estimate 1991
Forensic science examinations				
a) Cases addressed	4,924	4,986	4,500	4,500
b) Requests for examination completed	5,249	4,792	4,900	4,900
c) Specimens submitted for examinations	52,877	48,127	55,000	55,000

Item	1988	1989	Estimate 1990	Estimate 1991
d) Examinations conducted	350,736	311,770	330,000	330,000
e) Days spent in testimony	1,066	1,082	1,050	1,050
Forensic science training				
a) National Academy training				
1) Courses instructed	37	42	20[1]	36[3]
2) Work hours devoted	4,002	4,272	2,136[1]	3,912[3]
b) Specialized forensic schools				
1) Conferences, seminars and schools held	36	60[2]	34[1]	34
2) Work hours devoted	13,776	24,240[2]	14,400[1]	14,400
c) Road schools				
1) Schools held	7	6	6	6
2) Work hours devoted	1,560	1,440	1,440	1,440

[1] Decrease due to increased emphasis in new agent training in 1990.

[2] Increase due to the decrease in new agent training which created excess room capacity for specialized forensic schools.

[3] National Academy increases to four sessions of 200 students per session in 1991.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Forensic Services Non-Federal........................	108	105	$10,194	104	101	$10,001	-4	-4	-$193

Program Decreases:

Program reduction totalling four positions and workyears and $193,000 are requested by the FBI to meet targeted budget levels established by the Administration. The reduction of four positions and workyears could increase turnaround time for some laboratory examinations.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Fingerprint Identification...	1,537	1,549	$63,138	1,537	1,549	$68,238	1,421	1,433	$66,530	-116	-116	-$1,708

Long-Range Goal: To provide accurate and timely fingerprint identification and related services to Federal, State and local criminal justice agencies, as well as other governmental agencies and entities, as mandated by Federal statutes, regulations, and executive orders.

Major Objectives:

To process all fingerprint cards, related documents, and name checks, while reducing response time and costs.

To increase employee productivity.

To enhance automation of work operations through research and development.

To provide state-of-the-art forensic science services and improve reporting procedures.

Base Program Description: Over 187 million fingerprint cards representing over 62 million individuals are currently maintained in the FBI's fingerprint files. Fingerprint processing is just one of many services the FBI's Fingerprint Identification program offers to the public and the criminal justice community. The FBI also: (1) examines and processes physical evidence submitted by Federal, State, and local law enforcement agencies for latent "crime scene" fingerprints and provides expert testimony in criminal trials involving this evidence, if necessary; (2) assists Federal, State, and local authorities in the identification of unknown deceased persons, including on-site assistance at major disasters; (3) conducts fingerprint training schools for Federal, State, and local law enforcement personnel; and (4) posts wanted and parole/probation notices on criminal history records to notify criminal justice agencies when there is new arrest activity involving these individuals.

As the national clearinghouse for fingerprint and arrest records, the FBI has a responsibility to the public to be effective and efficient. Prompt reply to contributor correspondence is vital to the operation of the nation's criminal justice effort. Delay in the processing of criminal information can lead to the inadvertent release of fugitives, inhibit criminal investigations, and handicap judicial, prosecutorial, penal, and parole/probation actions. Further delay in the processing of applicant fingerprint cards can result in monetary losses and hardships in the hiring or licensing of individuals. The previously established user-fee program assesses a fee for the processing of certain non-Federal fingerprint cards. The fee is currently used to pay the full cost of the processing services. In 1989, 1,286,585 revenue producing prints resulted in total revenues of $16,504,036. As provided for by the Department's 1990 Appropriation Act, the fee for these services will be increased during 1990 to provide additional funding for future automation projects related to the fingerprint identification services. Additionally, the Fingerprint Identification Program has initiated a new user-fee program for Federal applicants for non-criminal justice, non-law enforcement purposes, as required by Public Law 101-179. All fees collected from this program are to be used to pay for the services provided and State and local licensing.

Phase III of the Automated Identification System (AIS) was implemented June 4, 1989. This phase combined all of the Fingerprint Identification program's automation achievements into a fully-integrated, high-performance system which is designed to decrease the FBI's work-processing time for 95 percent of the workload to one workday.

Accomplishments and Workload: The accomplishments and workload of the Fingerprint Identification program are presented in the following table:

			Estimates	
Item	1988	1989	1990	1991
Fingerprint cards				
Criminal Justice and Federal Applicant				
Received................	6,827,002	6,610,283	4,396,000[1]	4,528,000
Processed...............	6,731,816	6,660,146	4,395,000	4,519,000
User Fee (Non-Federal Applicant)				
Received................	1,361,263	1,385,203	1,573,000	1,621,000
Processed...............	1,394,429	1,379,281	1,513,000	1,558,000
Fees Received On........	1,274,493[2]	1,286,585[2]	1,401,000[2]	1,443,000[2]
Revenue Earned..........	$16,619,834	$16,504,036	$22,486,000	$27,489,000
User Fee (Federal Applicant)				
Received................	...	...	2,413,000[3]	2,480,000[3]
Processed...............	...	...	1,712,000	1,797,000
Fees Received On........	...	...	1,646,000[2]	1,728,000[2]
Revenue Earned..........	...	...	$17,283,000	$24,192,000
Immigration				
Name Checks on Tape....	1,552,562	1,022,844	25,000	... [4]
Fingerprint Cards......	246,662	214,604	5,000	...
Revenue Earned.........	$12,265,240	$7,067,851	$173,000	...
Total All Sources				
Received	8,434,927	8,210,090	8,387,000	8,887,000
Processed..............	8,372,907	8,254,031	7,625,000	8,066,000
Revenue Earned.........	$28,885,074	$23,571,887	$39,942,000	$52,500,000
Correspondence				
(Name checks etc.)				
Received...............	1,534,461	1,138,216	1,172,000	1,210,000
Processed..............	1,541,484	1,120,090	1,172,000	1,210,000

			Estimates	
Item	1988	1989	1990	1991
Name Checks on Magnetic Tape... (Other than INS)	143,979	631,239	2,500,000	2,575,000
Expedite and Special Requests Received........	243,874	193,552	150,000	155,000
Disposition Reports				
Received..................	3,008,893	2,146,952	3,000,000	3,090,000
Processed................	3,095,012	1,536,156	2,500,000	3,000,000
Expungement and Purge Requests...	428,289	312,847	350,000	400,000
Nonserious Offense Fingerprint Cards Purged......	64,722	57,336	48,000	39,000
Fugitives Identified Through Posting of Wanted Notices	26,455	29,427	31,000	32,000
Latent Fingerprint Cases Processed	15,554	15,479	15,550	16,000
Suspects Identified by Latent Fingerprint Examinations..	2,526	2,650	2,700	2,750
Fingerprint Schools Conducted.......	157	178	183	188
Interstate Identification Index				
Name Check Requests.....	10,750,387	12,741,570[5]	13,746,080	14,158,000
Record Requests.........	2,190,837	2,760,775	3,042,236	3,134,000
Communications Mailed...........	11,465,066	8,867,527	9,450,000	9,922,000

[1] Reduction based on implementation of the new Federal user-fee program.

[2] All user-fee receipts are not processed because of immediate rejections (failure to comply with established procedures and/or requirements) and returns due to illegible fingerprints.

[3] Receipts may be lower because of pending regulations as to what receipts will be considered criminal justice applicants. Federal user-fee revenue is based upon receipts projected after January 1, 1990.

[4] No submissions are planned after 1990 for permanent residency under Immigration Reform and Control Act of 1986.

[5] Reflects the integration of AIS-III and the Interstate Identification Index into a single system.

Latent Fingerprint Specialists examined 198,484 specimens in 15,479 cases in 1989. This resulted in the identification of 2,650 criminal suspects by latent prints. A total of 99 deceased individuals were identified by fingerprint or footprint specimens. Latent Fingerprint Specialists also made 288 court appearances. Testimony provided in cases resulted in 2,894 years in prison terms for guilty offenders, as well as 33 life terms, and five death sentences. Fines totaling $4,977,801 were levied.

The FBI Disaster Squad traveled domestically and internationally in 1989 to assist in the identification of 173 victims of two airplane disasters and one ship explosion. Seventy-three of the victims were identified by fingerprints. The FBI

Disaster Squad traveled to Sioux City, Iowa, to help in the identification of victims in the crash of a United Airlines plane and to Dover Air Force Base, Delaware, to assist in the identification of crewmen killed in an explosion aboard the U.S.S. Iowa, near Puerto Rico. Assistance was provided in the crash of an airplane in Ethiopia involving United States citizens on a Congressional fact-finding tour lead by Texas Congressman Mickey Leland.

Efforts to improve the overall quality within the Fingerprint Identification program were continued in 1989 by emphasizing two particular areas. A Quality Improvement Pilot Project was implemented for typing special correspondence responses. Production standards were removed and replaced by a pass/fail number with extensive emphasis placed on "quality the first time through." A unified effort from management and employees has proven the project a success. Additionally, in July 1989, a National Crime Information Center Identification Services Task Group met at FBIHQ to present recommendations for future enhancements to systems and services of the FBI's Fingerprint Identification Program.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Fingerprint Identification........................	1,537	1,549	$68,238	1,421	1,433	$66,530	-116	-116	-$1,708

Program Decreases:

A program reduction totaling 43 positions and workyears and $1,277,000 is proposed by the FBI to meet targeted budget levels established by the Administration. Additionally, a program reduction of 73 support positions and workyears and $431,000 is proposed in 1991 in anticipation of savings from contracting out certain functions of the Fingerprint Identification program. The activities in this program which will be studied for contracts with private industry include various support functions. With reductions, the FBI would experience some delays in processing fingerprint cards.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Criminal Justice Data and Statistics Services...	191	186	$9,655	191	186	$10,230	185	180	$10,035	-6	-6	-$195

Long-Range Goal: To generate reliable statistics for use in law enforcement administration, operation, and management, and to improve the overall effectiveness of the criminal justice system through effective handling and exchange of documented criminal justice information.

Major Objectives:

To provide for the storage and dissemination of documented information concerning wanted and missing persons, stolen property, and criminal histories through the operation of the National Crime Information Center (NCIC) telecommunications system.

To promote compliance by NCIC State Control Terminal Agencies and Federal Service Coordinators with NCIC policies, procedures, and data quality standards mandated by the NCIC Advisory Policy Board through biennial audits.

To ensure continuation of a user-oriented management process by coordinating meetings and facilitating informational input from the NCIC Advisory Policy Board and Regional Working Groups.

To continue implementation of the National Incident Based Reporting System for the Uniform Crime Reporting (UCR) program.

To collect, record, analyze, publish, and report detailed and comprehensive data contained in the "Crime in the United States" and "Law Enforcement Officers Killed and Assaulted" publications; to collect, compile, and tabulate information concerning the crime of arson, and develop a special arson publication; and to collect, compile, tabulate, and publish statistical reports in compliance with the "Uniform Federal Crime Reporting Act of 1988."

To provide training, technical consultation, and assistance to Federal, State, and local law enforcement officials for developing and maintaining accurate UCR data; to improve management and operational strategies; and to compile UCR crime statistics on a monthly, semiannual, and annual basis for criminal justice reports and analysis.

To provide statistical crime analysis and research in response to requests from academicians, the legal profession, members of Congress, law enforcement officials, and the public.

Base Program Description: The NCIC is a nationwide information system supporting 58,000 components of law enforcement and criminal justice agencies - local, State and Federal. The system consists of a host computer and a supporting telecommunications network which provide access to 12 computerized information bases. NCIC databases are maintained on wanted and missing persons, foreign fugitives, unidentified persons, originating agency identifiers, persons posing a serious threat to U.S. Secret Service protectees, and stolen property (articles, boats, guns, license plates, securities and vehicles). Criminal histories are also accessed through a subsystem know as the Interstate Identification Index. Over 20 million records are accessible through NCIC. At the close of 1989, 247,383,583 transactions were completed. On the average, there are 906,167 NCIC transactions each day.

As part of its Long Range Automation Strategy (LRAS), the FBI intends to redesign, develop, and implement in multiple phases a new generation NCIC system that provides significantly advanced and expanded functionality. The first phase of this process involved a contractual study to identify new functional requirements for the system. The study began in

January, 1986, and was completed in April 1988. Knowledge gained and substantive information collected in this phase coupled with the study results are the foundation for Phase II to establish the new NCIC system's life cycle.

The UCR program directly administers the collection and processing of crime data from contributors to ensure an accurate, comprehensive, and nationwide compilation of crime-related statistics for use by all levels of government in formulating productive programs to reduce lawlessness in the American society. UCR is unique in that it is the only Federal program which collects offense, arrest, clearance, and police employee data from a national network of approximately 16,000 law enforcement agencies, representing 98 percent of the United States' population. One of the FBI's first established support systems for law enforcement, the UCR program has been maintained for more than 58 years due to the need for a national repository and a training base for crime statistics. The UCR program, initiated by law enforcement for law enforcement and voluntarily supported by law enforcement, is an important link between Federal, State, county, and city agencies.

The FBI in conjunction with the UCR community are presently implementing a change in the way crime statistics are reported. This ongoing re-design project, endorsed by the Attorney General and the Director of the FBI, involves the timely conversion from a summary reporting program to an incident-based system. This new system, the National Incident-Based Reporting System, will benefit all law enforcement and citizens across the Nation. The National Incident-Based Reporting System is an added expense to the local contributor as well as to the FBI. Presently, 27 states have made a financial commitment to the new program and are developing systems to start incident-based reporting. Three volumes regarding the implementation and data specifications have been published and disseminated to law enforcement contributors. Members of the law enforcement community are sending incident-based data to the FBI.

Accomplishments and Workload: Accomplishments of the National Crime Information Center and Uniform Crime Reporting programs are presented in the following table and narrative:

			Estimates	
Item	1988	1989[1]	1990	1999[2]
NATIONAL CRIME INFORMATION CENTER				
1. NCIC Transactions	222,515,962	303,000,000	332,000,000	473,500,000
2. Vehicles				
A. Stolen Vehicle Records Entered	1,329,733	1,410,000	1,494,000	1,584,000
B. Stolen Vehicle Records Cleared	1,136,115	1,212,000	1,293,000	1,380,000
C. Average Value of Vehicles ($000)	5,100	5,500	6,000	6,200
D. Total Value of Recovered Vehicles ($000)	3,476,512	4,000,000	4,024,000	4,278,000
3. Number of States Participating in Interstate Identification Index (III)	20	21	23	23
4. III Transactions	20,707,054	24,000,000	28,000,000	32,000,000
5. Training Sessions Conducted for Non-FBI Personnel	42	35	40	45
6. Audits of Control Terminal Agencies	23	28	28	28

Explanation: Vehicle theft statistics do not include construction and farm equipment operated off-road because these vehicles are not registered.

[1] Includes 73 million additional transactions annually resulting from the Treasury Enforcement Communications System.
[2] Includes 109.5 million annual transactions anticipated from the start-up of optical passport reader operations at United States border land crossings and airports.

Other accomplishments of the National Crime Information Center include:

The MITRE Corporation submitted the completed NCIC 2000 study.

An image storage and transmission capability that instantly transmits a photograph, fingerprint, and wanted and missing person record to a computer terminal in a police vehicle was successfully tested.

			Estimates	
Item	1988	1989	1990	1991
UNIFORM CRIME REPORTING				
1. Monthly Statistical Reports Received and Processed				
A. Demand	1,580,420	7,000,000[1]	30,000,000[1]	30,000,000[1]
B. Actual	1,580,420	6,000,000	10,000,000	10,000,000
2. Requests for Training, Liaison, Program Development, Speeches, Meetings, and Police School				
A. Demand	200	175	185	185
B. Actual	150	150	160	160
3. Correspondence	55,150	55,150	55,150	55,150
4. Newsletters/Bulletins Distributed	150,000	150,000	210,000	210,000
5. Publications Produced				
A. Actual	20	23	27	27
B. Distribution	62,500	62,500	85,500	85,500

[1] Increases due to contributors conversion to National Incident-Based System program.

Additional accomplishments of Uniform Crime Reporting include:

The National Incident-Based Reporting System was redesigned to include Federal Crime Reporting requirements and a conference with various Federal Departments participating in the Federal Crime Reporting Program was held.

The Department of Interior was identified as the test agency for the Federal Crime Reporting Program.

Training and technical assistance was provided to 25 States who will be participating in the National Incident-Based Reporting Program by the end of 1990.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Criminal Justice Data and Statistics Services	191	186	$10,230	185	180	$10,035	-6	-6	-$195

Program Decrease:

A program decrease is being proposed that includes a reduction of six positions and workyears and $195,000 to meet targeted budget levels established by the Administration.

Federal Bureau of Investigation

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Program Direction	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction & Control....	527	508	$28,424	527	508	$30,804	522	498	$30,319	- 5	-10	$-485
Administrative Services..........	821	804	33,257	821	804	34,825	802	785	34,152	-19	-19	-673
Total...........................	1,348	1,312	$61,681	1,348	1,312	$65,629	1,324	1,283	$64,471	-24	-29	$-1,158

This activity includes the management, administrative support, legal, planning, evaluation, inspection and financial functions of the FBI.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Executive Direction and Control...............	527	508	$28,424	527	508	$30,804	522	498	$30,319	-5	-10	-$485

Long-Range Goal: To provide effective leadership, management, direction, and control for the Federal Bureau of Investigation.

Major Objectives:

To provide leadership for the FBI in support of the organization's long-range goal through the promotion of high morale and efficient commitment of personnel and nonpersonnel resources.

To promote the equality of opportunity in the FBI through affirmative action programs, review and formulate policy regarding Equal Employment Opportunity (EEO) matters, and process complaints of discrimination.

To advocate effectively the FBI's positions with respect to all legislative proposals with the Department of Justice, Office of Management and Budget (OMB), and the Congress; to represent effectively the interest of the FBI with respect to responses to Congressional inquiries and oversight responsibilities; to advise competently the Director and other FBI officials on matters relating to the Congress; to represent FBI interests with national legal organizations.

To obtain public cooperation and support in the FBI's investigative areas; to increase the public's awareness of FBI activities and accomplishments through news releases, feature articles, interviews, speeches, publications, radio and television appearances, and announcements; to reduce the demand for illegal drugs through prevention and education.

To provide legal advice and guidance to FBI personnel in administrative and investigative matters; to conduct legal training of FBI, State, and local personnel; to prepare training monographs and legal articles; to provide legal advice concerning civil administrative forfeitures and rule on petitions for remission or mitigation; to provide legal counsel and coordinate the defense of civil litigation and administrative claims involving the FBI, its personnel, and FBI records.

To carry out audits and evaluations of FBI investigative and administrative programs so as to ensure their economic value and effective compliance with objectives, governing laws, rules, regulations and policy, and to ensure that FBI personnel conduct the organization's activities in a proper and professional manner.

Base Program Description: The Director, with the advice and counsel of the FBI's Deputy Director, Associate Deputy Directors, and members of the Executive Conference, sets policy and provides leadership and direction to the organization. The Associate Deputy Directors, with the assistance of their respective staffs, transmit policy statements, guidelines, and other managerial information to the Assistant Directors, who direct the daily operations of the headquarters divisions.

Components supporting the aforementioned functions of the Director, Deputy Director, and the remainder of FBI executive management include the following areas: the Budget Program which provides overall direction and control in all phases of budget and accounting functions; the Equal Employment Opportunity (EEO) Office, which promotes program management, guidance, and review for the FBI's Affirmative Action Program and the EEO complaint processing system; the Congressional Affairs Office, which seeks to advocate effectively FBI positions with respect to all legislative proposals before the Congress and to competently advise the Director and other FBI executives on matters relating to the Congress; and the Public Affairs Office, which is responsible for providing the American public with factual information concerning the FBI's programs, operations, and services and for managing the Drug Demand Reduction Program.

Also included are the General Legal and Civil Litigation Programs, which provide legal advice and guidance to agency management and personnel concerning all aspects of FBI operational and administrative matters, provide legal training to FBI, Drug Enforcement Administration, and State and local personnel; and coordinate the defense of lawsuits and administrative claims resulting from investigative and administrative actions in the field and at FBI Headquarters. The Internal Inspections Program reviews and assesses, on a continuing basis, FBI operations including the investigation and supervision of all allegations of criminality and serious misconduct on the part of FBI employees. Additionally, the Program Evaluations and Audits Program assists managers by identifying, analyzing, and resolving organizational performance and policy issues and conducting financial and other audits of the FBI's fiscal affairs.

Accomplishments and Workload: Accomplishments of the Executive Direction and Control decision unit are presented in the following table.

Item			Estimates	
	1988	1989	1990	1991
Testimony, constituent requests, and Congressional investigative liaison	4,745	4,800	4,800	4,800
ABC Radio script	48	52	52	52
Correspondence researched and dictated	9,526	9,526	9,526	9,526
Tourists	553,536	554,500	556,000	556,000
Title III applications [1]	280	256	276	298
Undercover proposals	194	224	216	216
Priority service projects	3,255	3,297	3,395	3,497
Priority research projects	385	414	405	410
Total number of pages reviewed for Civil Discovery.[2]	1,092,138	918,902	1,000,000	1,000,000
Forfeiture recommendations reviewed [3]	1,988	1,902	2,320	2,830
Petitions reviewed	371	377	420	468
Civil Actions	210	200	200	200
Inspections completed	40	36	36	36
EEO complaints [4]	15	30	30	35
Administrative inquiries completed	11	5	15	20
Investigations closed	502	515	600	600
Intelligence Oversight Board matters closed	22	30	30	30

---

[1] The number of Title III applications reviewed increased 27 percent from 1987 to 1988 (206 to 280), due in part to rapid increase in applications following enactment of the Electronic Communications Privacy Act of 1986. Although the number of applications reviewed decreased slightly in 1989, a steady growth in this workload is expected as use of electronic surveillance in narcotics and other criminal investigations increase.

[2] The relatively high number of pages reviewed for civil discovery in 1988 was attributable in part to the large number of files reviewed in support of the government's civil RICO lawsuit against the International Brotherhood of Teamsters.

[3] Forfeiture recommendations reviewed increased 50 percent from 1987 to 1988 (1,321 to 1,988). After this dramatic increase, a slight decline occurred in 1989. A steady, moderate growth in this area is expected; however, if legislation by Congress increases the value of assets subject to civil forfeiture, this workload will increase substantially.

[4] The number of EEO complaints is expected to escalate significantly due to the increased visibility of the program.

Item	1988	1989	Estimates 1990	 1991
Field office audits[1]	36	36	30	25
FBIHQ funds/systems audits	14	14	9	9
Undercover operations audits	30	30	30	35
GAO/DOJ liaison	60	60	60	60
FBI General Ledger audits	...	1	1	1
Evaluations completed	5	5	5	5
Studies completed	5	5	5	5
A-76 Studies conducted/positions reviewed	3	3	3	3
Confidential Funding:				
SF-1166 preparations[2]	1,650	2,350	2,350	2,113
Confidential funding reports[3]	250	250	1,300	1,300
Field Statistics Generated:				
TURK reports (Time Utilization Recordkeeping)	138	144	148	151
Accomplishment reports	101	105	108	109
Accounts Receivable:				
Schedules of Collections	N/R	52	52	52
Account reconciliations	N/R	N/R	72	72
Collection letters	50	250	350	450

---

[1] Centralized headquarters, general ledger, electronic data processing, and Congressional audit requirements have increased so drastically that even with the addition of seven auditor positions, the FBI would be unable to complete the same number of field office audits as in the past. At present, the length of time between audits has increased from one year to 18 months and reduced the estimated number of audits per year.

[2] As a result of the use of third party drafts, the demand for confidential case advances is expected to decrease from 1990 to 1991 by a net of about ten percent.

[3] The increase in confidential funding reports from 1989 to 1990 is due to newly implemented reporting requirements from FBI Headquarters to FBI field offices. Prior to 1990, these reports were distributed at FBI Headquarters only, with no requirement for reporting to field offices.

Program Changes:	1991 Base Perm. Pos.	 WY.	 Amount	1991 Estimate Perm. Pos.	 WY.	 Amount	Increase/Decrease Perm. Pos.	 WY.	 Amount
Executive Direction and Control	527	508	$30,804	522	498	$30,319	-5	-10	-$485

The net reduction of five positions and $485,000 includes a program increase of seven positions and $90,000 and a program decrease of 12 positions and $575,000.

Program increases of seven support positions (two workyears) and $90,000 are requested for 1991 to ensure that program direction continues to provide the FBI with effective leadership and is able to adequately address increased responsibilities. This increase would ensure that the FBI is able to address the increasing number of Congressional Undercover Operation (UCO) Audits and audits of the FBI general ledger in compliance with standards established by the General Accounting Office (GAO). Program decreases totaling 12 positions and workyears and $575,000 are also proposed, to meet targeted deficit reductions proposed by the Administration.

Program Increases:

Program Evaluations and Audits: 7 positions (2 workyears) and $90,000.

Five auditor positions (one workyear) and $45,000 are requested to conduct audits of the FBI's overall financial activities. The Audit Unit has been tasked to perform audits of the FBI's financial statements (general ledger) to comply with the GAO's financial and compliance standard for expanded scope auditing. As stated in the Comptroller General of the United States' Government Auditing Standards, the audit organization must "determine (a) whether the financial statements of an audited entity present fairly the financial position and the results of financial operations in accordance with generally accepted accounting principles and (b) whether the entity has complied with laws and regulations that may have a material effect upon the financial statements." In order for the Inspection Division to render an opinion as to the fairness of the presentation of the FBI's financial statements, preliminary audit work began in 1988 to obtain an operational understanding of the general ledger system. Starting in 1989, the actual resource-intensive audit began to determine the reliability of general ledger account balances with internal control and compliance reviews being conducted.

An additional two auditor positions (one workyear) and $45,000 are requested to conduct and report on UCOs. The number of UCOs requiring Congressional audits has increased substantially during the past few years due to an additional reporting requirement which became effective in 1984. Prior to 1984, the only requirement for submitting a detailed financial audit report of an UCO to Congress was if an operation generated gross receipts exceeding $150,000. Since 1984, in addition to the $150,000 gross receipts rule, a detailed audit report must also be submitted to Congress if an UCO had expenditures exceeding $150,000. This requirement has a major impact on the Unit's workload, especially due to the increase in UCOs supporting narcotics and dangerous drug trafficking investigations which generally require large expenditures.

Program Decrease:

This program decrease includes the reduction of four agent, eight support positions and 12 workyears and $575,000 to meet targeted budget levels established by the Administration.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Administrative Services.....	821	804	$33,257	821	804	$34,825	802	785	$34,152	-19	-19	-$673

Long-Range Goal: To provide a complete range of administrative services to maintain the FBI as a functional entity; and to effect, maintain, and enhance liaison with United States and friendly foreign police and other agencies.

Major Objectives:

To provide personnel related services such as employee safety, health and assistance programs, human resources planning, biweekly payroll, and relocation assistance for transferred employees.

To provide general services such as printing, warehousing, and supply services, disintegration of confidential and official trash, maintenance of the J. Edgar Hoover (JEH) FBI Building, and coordination and supervision of space provided by the General Services Administration.

To enhance the administration of financial matters as required by external entities through improvement of financial management system capabilities needed for decision making and enhanced internal controls.

To procure goods and services necessary to conduct business and to process property which has been seized from criminals for forfeiture purposes.

To expand liaison, both domestically and internationally, with Federal, State, and local law enforcement agencies and members of the intelligence community to support increasing investigative responsibilities of the FBI.

Base Program Description: This program encompasses the major program areas of Personnel Services, General Services Support, and the Office of Liaison and International Affairs.

The Personnel Services program is responsible for the administration, coordination, and policy formulation of pay administration, retirement, leave, safety, and disciplinary action; employee performance, recognition, and indoctrination; applicant recruitment; employee transfer matters; and compiling and reporting personnel statistical data. This program is also responsible for the administration of the performance appraisal and merit pay systems and the Employee Assistance program, to include the recently implemented mandatory drug deterrence program.

The General Services Support program is responsible for procuring and processing property seized for forfeiture purposes. The program also provides support service functions relating to printing, warehousing, security, safety, supplies, and space requirements. The voucher/payroll portion of the systems support staff prepares the FBI's payroll and distributes statements of earnings, salary and expense checks, leave accounting records, and savings bonds. The financial management system staff provides overall direction and control in all phases of accounting functions. The General Services Support program is also responsible for relocation and travel matters involving FBI personnel and administering vouchers relative to the field support account, imprest fund, and undercover operations.

The Office of Liaison and International Affairs (OLIA) is responsible for effecting, maintaining, and enhancing liaison with United States and friendly foreign police and intelligence agencies in support of FBI Headquarters and field offices in their management of the FBI's investigative responsibilities. Liaison and cooperation with foreign police and intelligence services is facilitated by the FBI's Legal Attaches. The Legal Attache's mission is to establish and maintain close personal liaison with all principal law enforcement and intelligence/security services throughout designated foreign countries thereby providing the means by which FBI responsibilities in the applicant, white collar crime, violent crimes, organized crime, international counterterrorism and foreign counterintelligence fields are met efficiently, effectively and expeditiously. The Legal Attache program provides for the prompt and continuous exchange of information and assistance to foreign law enforcement and other agencies. By way of reciprocation, the FBI assists cooperative foreign agencies with their legitimate and lawful interests in the United States.

Accomplishments and Workload: Workload generated by the Administrative Services program is as follows:

			Estimates	
	1988	1989	1990	1991
Senior Executive Service Matters	50	571	618	618
Special Agent Transfer Actions	1,921	2,613	1,943	2,500
Drug Deterrence Tests Conducted	3,265	5,138	14,000	16,000
Relocation Services	769	685	800	800
Relocation Invoices Audited	527	467	550	550
Forfeiture Sharing Requests Completed	1,213	1,800	1,800	1,800
Forfeiture Petitions Considered	349	479	599	659
Forfeiture Notifications to USMS	13,455	16,620	18,084	19,312
Administrative Forfeitures Completed	1,823	2,248	2,248	2,248
Financial Management Systems				
New "Off the Shelf" Systems Installed	2	5	5	7
Major Updates to Current Systems Completed	3	5	5	8
FMS Network-Workstations Maintained	140	260	260	360
System Security-Updates	104	280	208	288
Information Expert-Library Maintenance	60	120	120	180
Office of Liaison and International Affairs (OLIA)				
Interpol/Foreign Police Cooperation Matters Received	3,023	2,700	2,700	2,700
Domestic Agency Liaison Contacts	254	250	250	250
Foreign Agency Liaison Contacts	46	48	49	49

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount	Perm. Pos.	WY.	Amount
Administrative Services	821	804	$34,825	802	785	$34,152	-19	-19	-$673

A program reduction of 19 positions and workyears and $673,000 is proposed to meet targeted budget levels established by the Administration. To accommodate these reductions, the management and support staffs of accounting systems and personnel services would be reduced.

Federal Bureau of Investigation

Salaries and Expenses

Justification of Multi-Activity Program Decreases

(Dollars in thousands)

Programs	OMB Circular A-76 Savings			Targeted Budget Levels			Funding for P.L. 101-173			Total		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Other Field Programs	...	...	...	-235	-235	-$12,528	-80	-80	-$6,521	-315	-315	-$19,049
Organized Crime	...	...	...	-47	-47	-2,232	...	...	...	-47	-47	-2,232
Drugs	...	...	...	...	...	...	...	...	...	...	...	...
White-Collar Crime	...	...	...	-65	-65	-3,255	...	...	...	-65	-65	-3,255
Training	...	...	...	-11	-11	-529	...	...	...	-11	-11	-529
Forensic Services-Federal	...	...	...	-10	-10	-489	...	...	...	-10	-10	-489
Automated Data Processing and Telecommunications	...	...	...	-26	-26	-2,888	...	...	-2,716	-26	-26	-5,604
Records Management	-73	-73	-$438	-24	-24	-796	...	...	...	-97	-97	-1,234
Technical Field Support and Equipment	...	...	...	-4	-4	-1,295	...	...	-4,487	-4	-4	-5,782
General Law Enforcement Training	...	...	...	-8	-8	-397	...	...	...	-8	-8	-397
Forensic Services-Non-Federal	...	...	...	-4	-4	-193	...	...	...	-4	-4	-193
Fingerprint Identification	-73	-73	-431	-43	-43	-1,277	...	...	...	-116	-116	-1,708
Criminal Justice Data and Statistics Services	...	...	...	-6	-6	-195	...	...	...	-6	-6	-195
Executive Direction and Control	...	...	...	-12	-12	-575	...	...	...	-12	-12	-575
Administrative Services	...	...	...	-19	-19	-673	...	...	...	-19	-19	-673
Total	-146	-146	-869	-514	-514	-27,322	-80	-80	-13,724	-740	-740	-41,915

OMB Circular A-76 Savings

Savings anticipated by the conversion of certain functions now performed by Federal employees to contract services is the basis for the reduction of 146 support positions and workyears and $869,000. The details of exactly which services will be converted to contract operations will be available after cost comparison studies have been conducted and reviewed.

Targeted Budget Levels

Program reductions are being taken by the FBI to meet targeted budget levels established by the Administration in compliance with the Balanced Budget and Emergency Deficit Control Act of 1985. As a result of these reduction, some non-personnel resources devoted to program operations will be reduced. FBI management will make necessary changes to ensure that critical and priority investigative programs have adequate resources to maintain a high level of of performance and accomplish the agencies primary goals and objectives. However, with a reduction of this magnitude, certain functions that are not considered critical to National security and the agency's primary investigative goals and objectives will be given lower priority.

Funding for P.L. 101-173

As a result of Public Law 101-173 which amends 5 U.S.C. 5545 (c)(2), the FBI must identify other funding, $13,724,000, associated with the payment of administratively uncontrollable overtime (AUO) effective October 1, 1990. The AUO will be paid at a maximum rate of 25 percent of the rate of basic pay for a position. In order for the FBI to comply with this law, nonpersonnel items (travel, confidential case, and equipment) have been identified for reduction. In addition, 80 workyears (positions) and $2,655,000 have been transferred from direct to reimbursable funding to do background investigations of the Department of Justice applicants.

Federal Bureau of Investigation

Salaries and Expenses

Financial Analysis - Program Changes

(Dollars in thousands)

Item	Criminal, Security and Other Investigations						Investigative Support	
	Other Field Programs Decrease (Targeted Prgm. Reductions)		Organized Crime Decrease (Targeted Prgm. Reductions)		White-Collar Crime Decrease (Targeted Prgm. Reductions)		Training Decrease (Targeted Prgm. Reductions)	
Grades	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
GS/GM-15	...	...	...	...	...	...	...	...
GS/GM-14	...	...	...	...	...	...	...	...
GS/GM-13	...	...	...	...	...	...	...	...
GS-12	...	...	...	...	...	...	...	...
GS-11	...	...	...	...	...	...	...	...
GS-10	-133	-$5,718	-27	-$1,154	-44	-$1,845	-4	-$235
GS-9	...	...	...	...	...	...	...	...
GS-7	...	...	...	...	...	...	...	...
GS-5	-102	-2,448	-20	-480	-21	-504	-7	-168
Total positions and annual rates	-235	-8,166	-47	-1,634	-65	-2,349	-11	-403
Lapse (-)	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	-235	-8,166	-47	-1,634	-65	-2,349	-11	-403
Other personnel compensation	-32	-874	-6	-184	-10	-289	-1	-26
Personnel benefits	...	-1,836	...	-369	...	-536	...	-87
Travel and transportation of persons	...	...	...	...	...	...	...	...
Transportation of things	...	...	...	...	...	...	...	...
GSA rent	...	...	...	...	...	...	...	...
Communications, utilities, and miscellaneous charges	...	...	...	...	...	...	...	...
Printing and reproduction	...	...	...	...	...	...	...	...
Other services	...	...	...	...	...	...	...	...
Supplies and materials	...	...	...	...	...	...	...	...
Equipment	...	-1,652	...	-45	...	-81	...	-13
Lands and structures	...	...	...	...	...	...	...	...
Total program workyears and obligations changes requested, 1991	-267	-$12,528	-53	-$2,232	-75	-$3,255	-12	-$529

Federal Bureau of Investigation

Salaries and Expenses

Financial Analysis - Program Changes

(Dollars in thousands)

Item	Investigative Support							
	Forensic Services - Federal Decrease (Targeted Prgm. Reductions)		ADP/T Decrease (Targeted Prgm. Reductions)		Records Management Decrease (Targeted Prgm. Reductions)		Technical Field Support & Equipment Decrease (Targeted Prgm. Reductions)	
Grades	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
GS/GM-15	...	...	...	...	...	...	...	...
GS/GM-14	...	...	...	...	...	...	...	...
GS/GM-13	...	...	...	...	...	...	...	...
GS-12	...	...	...	...	...	...	...	...
GS-11	...	...	...	...	...	...	...	...
GS-10	-3	-$182	-2	-$315	-2	-$115	...	...
GS-9	...	...	...	...	...	...	...	...
GS-7	...	...	...	...	...	...	...	...
GS-5	-7	-168	-24	-576	-22	-528	-4	-$136
Total positions and annual rates	-10	-350	-26	-891	-24	-643	-4	-136
Lapse (-)	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	-10	-350	-26	-891	-24	-643	-4	-136
Other personnel compensation	-1	-20	...	-13	...	-13	...	...
Personnel benefits	...	-75	...	-184	...	-133	...	-28
Travel and transportation of persons	...	...	...	...	...	...	...	...
Transportation of things	...	...	...	...	...	...	...	...
GSA rent	...	...	...	...	...	...	...	...
Communications, utilities, and miscellaneous charges	...	...	...	...	...	...	...	...
Printing and reproduction	...	...	...	...	...	...	...	...
Other services	...	...	...	...	...	...	...	...
Supplies and materials	...	...	...	...	...	...	...	...
Equipment	...	-44	...	-1,800	...	-7	...	-1,131
Lands and structures	...	...	...	...	...	...	...	...
Total program workyears and obligations changes requested, 1991	-11	-$489	-26	-$2,888	-24	-$796	-4	-$1,295

Federal Bureau of Investigation

Salaries and Expenses

Financial Analysis - Program Changes

(Dollars in thousands)

Item	State & Local Assistance							
	General Law Enforcement Training Decrease (Targeted Prgm. Reductions)		Forensic Services - Non-Federal Decrease (Targeted Prgm. Reductions)		Fingerprint Identification Decrease (Targeted Prgm. Reductions)		Criminal Justice Data & Statistics Services Decrease (Targeted Prgm. Reductions)	
Grades	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
GS/GM-15	...	...	...	...	...	...	...	...
GS/GM-14	...	...	...	...	...	...	...	...
GS/GM-13	...	...	...	...	...	...	...	...
GS-12	...	...	...	...	...	...	...	...
GS-11	...	...	...	...	...	...	...	...
GS-10	-5	-$230	-1	-$63	...	...	...	...
GS-9	...	...	...	...	...	...	...	...
GS-7	...	...	...	...	...	...	...	...
GS-5	-3	-72	-3	-72	-43	-$1,036	-6	-$162
Total positions and annual rates	-8	-302	-4	-135	-43	-1,036	-6	-162
Lapse (-)	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	-8	-302	-4	-135	-43	-1,036	-6	-162
Other personnel compensation	-1	-26	...	-6	...	...	...	...
Personnel benefits	...	-66	...	-29	...	-210	...	-33
Travel and transportation of persons	...	...	...	...	...	...	...	...
Transportation of things	...	...	...	...	...	...	...	...
GSA rent	...	...	...	...	...	...	...	...
Communications, utilities, and miscellaneous charges	...	...	...	...	...	...	...	...
Printing and reproduction	...	...	...	...	...	...	...	...
Other services	...	...	...	...	...	...	...	...
Supplies and materials	...	...	...	...	...	...	...	...
Equipment	...	-3	...	-23	...	-31	...	-4
Lands and structures	...	...	...	...	...	...	...	...
Total program workyears and obligations changes requested, 1991	-9	-$397	-4	-$193	-43	-$1,277	-6	-$195

Federal Bureau of Investigation
Salaries and Expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Program Direction					
	Executive Direction and Control Decrease (Targeted Prgm. Reductions)		Administrative Services Decrease (Targeted Prgm. Reductions)		TOTAL (Targeted Program Reductions)	
Grades	Pos.	Amount	Pos.	Amount	Pos.	Amount
GS/GM-15	...	...	...	...	...	...
GS/GM-14	...	...	...	...	...	...
GS/GM-13	...	...	...	...	...	...
GS-12	...	...	...	...	...	...
GS-11	...	...	...	...	...	...
GS-10	-4	-$256	-2	$125	-227	-$10,238
GS-9	...	...	...	...	...	...
GS-7	...	...	...	...	...	...
GS-5	-8	-192	-17	-408	-287	-6,950
Total positions and annual rates	-12	-448	-19	-553	-514	-17,188
Lapse (-)	...	...	...	...	...	...
Total workyears and personnel compensation	-12	-448	-19	-533	-514	-17,188
Other personnel compensation	-1	-27	...	-13	-52	-1,491
Personnel benefits	...	-96	...	-111	...	-3,793
Travel and transportation of persons	...	...	...	...	...	...
Transportation of things	...	...	...	...	...	...
GSA rent	...	...	...	...	...	...
Communications, utilities, and miscellaneous charges	...	...	...	...	...	...
Printing and reproduction	...	...	...	...	...	...
Other services	...	...	...	...	...	...
Supplies and materials	...	...	...	...	...	...
Equipment	...	-4	...	-16	...	-4,850
Lands and structures	...	...	...	...	...	...
Total program workyears and obligations changes requested, 1991	-13	-$575	-19	-$673	-566	-$27,322

Federal Bureau of Investigation

Salaries and Expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Investigative Support Records Management Decrease (A-76)		State & Local Assistance Fingerprint Identification Decrease (A-76)		TOTAL Decrease (A-76)	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades						
GS/GM-15	...	...	...	...	...	...
GS/GM-14	...	...	...	...	...	...
GS/GM-13	...	...	...	...	...	...
GS-12	...	...	...	...	...	...
GS-11	...	...	...	...	...	...
GS-10	...	...	...	...	...	...
GS-9	...	...	...	...	...	...
GS-7	...	...	...	...	...	...
GS-5	-73	-$365	-73	-$358	-146	-$723
Total positions and annual rates	-73	-365	-73	-358	-146	-723
Lapse (-)	...	...	...	...	...	...
Total workyears and personnel compensation	-73	-365	-73	-358	-146	-723
Other personnel compensation	...	-73	...	-73	...	-146
Personnel benefits	...	...	...	...	...	...
Travel and transportation of persons	...	...	...	...	...	...
Transportation of things	...	...	...	...	...	...
GSA rent	...	...	...	...	...	...
Communications, utilities, and miscellaneous charges	...	...	...	...	...	...
Printing and reproduction	...	...	...	...	...	...
Other services	...	...	...	...	...	...
Supplies and materials	...	...	...	...	...	...
Equipment	...	...	...	...	...	...
Lands and structures	...	...	...	...	...	...
Total program workyears and obligations changes requested, 1991	-73	-$438	-73	-$431	-146	-$869

Federal Bureau of Investigation

Status of Construction and Summary of New Facilities Requirements

(Dollars in thousands)

	Budget Request or Appropriation								
	Planning and Site Acquisition		Construction				Current Status - 1/90		
Project	Fiscal Year	Amount	Fiscal Year	Amount	Total Funding	Total Cost Estimate or Actual	Obligated to Date	Stage of Programs	Expected Completion Date
Under construction or fully funded:									
1. Engineering Research Facility - Pod A	...	...	1985	$9,982	$9,982	$20,095	$20,095	Completed Warranty period	10/89
2. Engineering Research Facility - Pod B	...	...	1990	$15,000	$15,000	$15,000	$0	Design modification	6/92

Federal Bureau of Investigation

Salaries and expenses

Status of Congressionally Requested Studies, Reports, and Evaluations

1. The Senate Conference Report relating to the Department of Justice Appropriation Act, 1990, directed that a study be conducted regarding the relocation of the FBI's Identification Division. A scope of services is being drafted addressing the major considerations for relocating the Identification Division within the Mid-Atlantic region. Completion of this statement is expected in 1990. The FBI will then proceed with appropriate contracting steps to award a contract to a commercial vendor for a full feasibility study of the relocation proposal.

Federal Bureau of Investigation

Salaries and expenses

Priority Rankings

Base Program	
Program	Ranking
Executive Direction and Control	1
Administrative Services	2
Other Field Programs	3
Organized Crime	4
Drugs	5
White-Collar Crime	6
Records Management	7
Forensic Services - Federal	8
Technical Field Support and Equipment	9
Automated Data Processing and Telecommunications	10
Training	11
Fingerprint Identification	12
Forensic Services - Non-Federal	13
General Law Enforcement Training	14
Criminal Justice Data & Statistics Services	15

Program Increases	
Program	Ranking
White-Collar Crime	1
Drugs	2
Organized Crime	3
Other Field Programs	4
Technical Field Support and Equipment	5
Automated Data Processing and Telecommunications	6
Records Management	7
Forensic Services - Federal	8
Training	9
Executive Direction and Control	10

Federal Bureau of Investigation

Salaries and expenses

Detail of Permanent Positions by Category

Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1990 Sequestration	1990 Total	1991 Adjustments to Base	1991 Program Increases	1991 Program Decreases	1991 Total
Criminal Investigation (1811)..	9,715	9,719	-177	9,542	-77	501	-252	9,714
Fingerprint Identification (072)..	787	557	...	557	...	...	...	557
General Admin. Clerical & Office Services(300-399).....	8,835	7,972	-232	7,740	-16	346	-465	7,605
Professional/Technical.	3,084	3,297	...	3,297	55	438	-23	3,767
Total	22,421	21,545	-409	21,136	-38	1,285	-740	21,643
Washington	7,418	6,441	-130	6,311	-2	132	-367	6,074
U.S. Field	14,925	15,026	-279	14,747	-36	1,153	-370	15,494
Foreign Field	78	78	...	78	...	...	-3	75
Total	22,421	21,545	-409	21,136	-38	1,285	-740	21,643

Federal Bureau of Investigation
Salaries and expenses
Schedule of Motor Vehicles

	1988	1989			1990			1991		
Method of Acquisition and Type of Vehicle	End-of-Year Inventory	Acquired	Disposed	End-of-Year Inventory	Acquired	Disposed	End-of-Year Inventory	Acquired	Disposed	End-of-Year Inventory
Direct Purchase:										
Limousine	1	—		1			1			1
Large sedan	2,541	167	150	2,558	507	420	2,645	470	420	2,695
Midsize sedan	3,736	827	800	3,763	395	350	3,808	400	350	3,858
Compact sedan	422	89	80	431	100	100	431	150	100	481
Subcompact sedan	66	23	30	59	59	59	59	59	59	59
Station wagon	69			69	49	40	78	40	40	78
Other					244		244	(25)*		219
Subtotal	6,835	1,106	1,060	6,881	1,354	969	7,266	1,094	969	7,391
Van	319	33	33	319	70	65	324	65	65	324
Ambulance	1			1			1			1
Special Purpose:										
4 wheel drive	297	48	46	297	30	26	301	26	26	301
Trucks										
Pickup	156	5	5	156	20	20	156	20	20	156
Other	27		1	26			26			26
Subtotal	800	86	87	799	120	111	808	111	111	808
Total Purchased	7,635	1,192	1,147	7,680	1,474	1,080	8,074	1,205	1,080	8,199

* The reduction of 25 automobiles to be acquired in 1991 is the net result of reductions due to Public Law 101-173.

Federal Bureau of Investigation

Salaries and expenses

Schedule of Motor Vehicles

	1988	1989			1990			1991		
Method of Acquisition and Type of Vehicle	End-of-Year Inventory	Acquired	Disposed	End-of-Year Inventory	Acquired	Disposed	End-of-Year Inventory	Acquired	Disposed	End-of-Year Inventory
Leased:										
Large sedan	85	25	25	85	25	30	80	25	30	75
Midsize sedan	210	45	35	220	50	55	215	45	55	205
Compact sedan	45	10	10	45	15	20	40	15	20	35
Station wagon	25	5	10	20	10	15	15	5	10	10
Subtotal	365	85	80	370	100	120	350	90	115	325
Van	45	15	10	50	10	15	45	10	15	40
Special Purpose:										
4 wheel drive	40			40	20	25	35	15	20	30
Trucks										
Pickup	35	15	10	40	20	25	35	15	25	25
Other	10			10	5	5	10	5	5	10
Subtotal	130	30	20	140	55	70	125	45	65	105
Total Leased	495	115	100	510	155	190	475	135	180	430
Seized or no cost excess:										
Limousine	1	1	1	1	1		2			2
Large sedan	123	25	18	130	25	15	140	26	17	149
Midsize sedan	262	75	55	282	83	57	308	80	55	333
Compact sedan	29	12	6	35	15	8	42	16	7	51
Subcompact sedan	8			8	4	2	10	5	5	10
Small sedan					2		2	2	1	3
Station wagon	6	2	1	7	5	2	10	8	3	15
Subtotal	429	115	81	463	135	84	514	137	88	563
Van	62	9	5	66	10	6	70	10	8	72
Bus	2			2			2			2
Special Purpose:										
4 wheel drive	49	25	16	58	25	10	73	28	20	81
Trucks										
Pickup	125	45	31	139	45	30	154	48	30	172
Other	36	3	1	38	5	3	40	6	4	42
Subtotal	274	82	53	303	85	49	339	92	62	369
Total Seized	703	197	134	766	220	133	853	229	150	932
Total Vehicles	8,833	1,504	1,381	8,956	1,849	1,403	9,402	1,569	1,410	9,561

)

FEDERAL BUREAU OF INVESTIGATION
Salaries and Expenses
Schedule of Aircraft

Type of Aircraft	1988 EOY Inventory	1989 Acquired	1989 Disposed	1989 End-of-Year	1990 Acquired	1990 Disposed	1990 End-of-Year	1991 Acquired	1991 Average Cost	1991 Disposed	1991 End-of-Year
Direct Purchase:											
Fixed Wing:											
Single engine	56	10		66	10		76	5	$110,000		81
Twin engine	1			1			1				1
Turbo engine	2			2			2				2
Helicopter:											
Single engine	2			2	0		2				2
Subtotal Purchased:	61	10		71	10		81	5	$110,000		86
Seized or Received as Excess:											
Fixed Wing:											
Single engine	9	2	1	10			10				10
Twin engine	9		2	7			7				7
Turbo prop	4	2		6			6				6
Jet engine	1			1			1				1
Subtotal Seized	23	4	3	24			24				24
otal Aircraft Owned:	84	14	3	95	10		105	5	$110,000		110
ther Agencies - DOD											
Helicopter:											
Single engine	1			1			1				1
otal Aircraft	85	14	3	96	10		106	5	$110,000		111

Federal Bureau of Investigation

Salaries and expenses

Summary of Change

(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990	21,545	20,846	$1,423,340
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding	...	...	97,045
1990 as enacted	21,545	20,846	1,520,385
1990 Sequestration	-409	-409	-20,941
1990 appropriation anticipated	21,136	20,437	1,499,444
Adjustments to base:			
Mandatory Increases:			
Annualization of 397 new positions in 1990	...	198	22,844
Additional compensable day	...	...	3,886
1990 Full-year pay increase impact on 1991 [1]	...	...	39,245
1991 pay increase	...	...	14,160
Senior Executive Service pay increase	...	...	727
Special salary rates	...	...	1,893
Administratively Uncontrollable Overtime	...	...	41,979
Health benefits	...	...	6,747
Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	...	1,413
GSA Rent	...	...	4,740
GPO printing costs	...	...	125
Total, 1991 mandatory increases	...	198	137,759

---

[1] The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

Federal Bureau of Investigation

Salaries and expenses

Summary of Change (continued)

(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Decreases:			
Federal Employees' Compensation Act (FECA) - Unemployment Compensation	...	...	-102
Federal Telecommunications System	...	...	-1,700
1989 Drugs Supplemental	...	...	-6,340
1990 Financial Institution Fraud Amendment	...	...	-1,049
Targeted deficit reduction	-38	-38	-1,844
Replacement of agents in administrative positions at Headquarters with non-agents	...	...	-$768
Base decrease associated with Washington Field Office funding	...	...	-10,000
Engineering Research Facility (ERF) - Pod B construction	...	...	-15,000
Total, decreases	-38	-38	-36,803
1991 Base	21,098	20,597	1,600,400
Program Changes:			
Criminal, Security and Other Investigations	723	-103	46,679
Investigative Support	-20	-117	-3,191
State and Local Assistance	-134	-134	-2,493
Program Direction	-24	-29	-1,158
Total program changes	545	-383	39,837
1991 Estimate	21,643	20,214	$1,640,237

Federal Bureau of Investigation

Salaries and expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Pos.	WY	Amount
Mandatory increases:			
1. Annualization of 397 new positions in 1990	...	198	$22,844

This provides for the annualization of 300 positions requested for the Comprehensive Crime Control Act of 1989.

	1990 Increases	Annualization Required
Annual salary rate of 300 approved positions	$9,784,000	
Less lapse rate (50 percent)	4,892,000	$ 4,892,000
Net compensation	4,892,000	
Other personnel compensation	598,000	596,000
Associated employee benefits	3,785,000	3,785,000
Travel and transportion of persons	402,000	403,000
Transportation of things	662,000	663,000
GSA Rent	444,000	443,000
Printing and reproduction	11,000	12,000
Other services	4,908,000	2,210,000
Supplies and materials	207,000	208,000
Equipment	3,591,000	3,489,000
Total costs subject to annualization	19,500,000	16,701,000

This also provides for the annualization of 97 investigative support positions approved in 1990.

	1990 Increases	Annualization Required
Annual salary rate of 97 approved positions.........	$ 2,398,080	
Less lapse rate (51 percent)........................	1,219,616	$ 1,219,616
Net compensation..................................	1,178,464	
Associated employee benefits........................	471,753	900,409
Travel and transportation of persons................	...	263,247
Transportation of things............................	...	220,759
GSA Rent..	144,991	151,200
Printing and reproduction...........................	3,479	3,504
Other services......................................	3,626	752,335
Supplies and materials..............................	22,197	50,436
Equipment...	679,490	2,581,494
Total costs subject to annualization..............	2,504,000	6,143,000

	Pos.	WY	Amount
2. Additional compensable day..	...	...	$3,886

The annual salary for Federal employees is based on 260 paid days. During 1991 there is one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.

	Pos.	WY	Amount
3. 1990 full-year pay increase impact on 1991....................................	...	...	39,245

This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $39,245,000 is the amount required for full year funding in 1991. NOTE: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

	Pos.	WY	Amount
4. 1991 pay increase For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This request provides for 50 percent of the proposed 3.5 percent pay increase effective in January of 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $14,160,000, is the cost of the pay increase for approximately three-quarters of the year assuming a 50-percent absorption.	...	...	$14,160
5. Senior Executive Service pay increase This requests represents the 1991 costs of the pay increase for Senior Executive Service employees. This pay increase is to be effective in January of 1990, but will be absorbed completely for the first year. In 1991, an increase of $727,000 is necessary for this requirement. Funding for executive level employees pay raise is completely absorbed in both years.	...	...	727
6. Special Salary Rates This request provides increases as authorized by law in 5 U.S.C. 5303. The Office of Personnel Management has approved these rates for positions where retention and recruitment of qualified applicants is a problem. The Department's request represents coverage of 33 authorized special rates.	...	...	1,893
7. Administratively Uncontrollable Overtime (AUO) P. L. 101-173 increased the limit on AUO payments from 25 percent of a Grade 10 step 1 to 25 percent of compensation. Since most law enforcement agents in the Department are compensated at levels above a GS-10 step 1, this act increases the Department's AUO payments substantially. Total increased costs for the Federal Bureau of Investigation are $41,979,000.	...	...	41,979
8. Health Benefits The Federal Employees Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1990, the actual contribution to health insurance increased 27 percent. The requested increase of $6,747,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.	...	...	6,747
9. Federal Employees' Compensation Act (FECA) - Workers' Compensation This increase reflects the billing provided by the Department of Labor for the actual costs in 1989 of employees' accident compensation. The amount will be $6,184,000 or $1,413,000 over the 1990 base.	...	...	1,413

	Pos.	WY	Amount
10. GSA Rent	...	...	$4,740
GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $4,740,000 is required to meet our commitment to GSA.			
11. Government Printing Office (GPO) printing costs	...	...	125
The GPO is currently projecting a seven-percent increase over the 1990 printing costs of $1,786,000. An additional $125,000 will be required in 1991.			
Total mandatory increases	...	198	137,759
Decreases (Automatic non-policy):			
1. Federal Employees' Compensation Act (FECA) - Unemployment Compensation	...	...	-102
This decrease reflects the billing provided by the Department of Labor for the actual costs in 1989 of employees' unemployment compensation. The 1991 amount will be $259,000 or $102,000 below the 1990 base.			
2. Federal Telecommunications System (FTS)	...	...	-1,700
In 1991, the General Services Administration (GSA) is to have the FTS 2000 system fully implemented. At present, GSA projections indicate costs for current FTS minute usage charges will decrease from 34 cents per minute to 18 cents per minute. The requested reduction of $1,700,000 from a 1990 base of $3,211,000, reflects this decrease.			
3. 1989 Drug Supplemental	...	...	-6,340
This request reflects a reduction in 1991 for nonrecurring costs associated with the implementation of the Anti-Drug Abuse Act of 1988. The reduction includes the following:			

	Nonrecurring Costs
Personnel benefits	$1,409,434
Travel and transport of persons	190,749
Transportation of things	628,885
Other services	1,648,058
Equipment	2,462,874
Total, nonrecurring costs	6,340,000

	Pos.	WY	Amount
4. 1990 Financial Institutions Fraud Amendment This request reflects a reduction in 1991 for nonrecurring equipment costs associated with the implementation of the Financial Institutions Fraud Initiative in 1990.	...	...	-$1,049
5. Targeted deficit reduction A reduction of 38 positions and $1,844,000 is requested in order to meet targeted budget levels established by the Administration.	-38	-38	-1,844
6. Replacement of agents in administrative positions at FBI Headquarters with non-agents This request reflects a reduction in funding due to savings from the proposed replacement of 55 FBI Special Agent positions with support positions in selected headquarters functions. The decrease in funding represents reduced requirements for administratively uncontrollable overtime and associated personnel benefits.	...	...	-768
7. Base decrease associated with Washington Metropolitan Field Office funding This request reflects a decrease in base equipment funding for the FBI's Other Field Pograms totaling $10,000,000. This decrease is proposed in conjunction with the requested appropriations language change that would allow for the use in 1991 of the no-year funding currently reserved for the relocation of the Washington Metropolitan Field Office.	...	...	-10,000
8. Engineering Research Facility (ERF) Pod B construction This request reflects the nonrecurral of funding allocated from within the 1990 appropriation for construction of Pod B of the ERF at Quantico, Virginia.	...	...	-15,000
Total decreases	-38	-38	-36,803
Total, adjustments to base	-38	160	100,956

Federal Bureau of Investigation

Salaries and expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

	1989 Actual		1990 Estimate		1991 Request		Increase/Decrease	
Grades and Salary Ranges	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level II, $96,600........	1		1		1		...	
ES-6, $83,600......................	13		13		13		...	
ES-5, $81,400......................	22		22		22		...	
ES-4, $79,200......................	84		84		84		...	
ES-3, $77,600......................	34		34		34		...	
ES-2, $74,400......................	1		1		1		...	
ES-1, $71,200......................	2		2		2		...	
GS/GM-15, $59,216 - $76,982........	354		354		354		...	
GS/GM-14, $50,342 - $65,444........	1,176		1,163		1,191		28	
GS/GM-13, $42,601 - $55,381........	5,623		5,550		6,019		469	
GS-12, $35,825 - $46,571...........	1,318		1,261		1,279		18	
GS-11, $29,891 - $38,855...........	1,958		2,059		2,112		53	
GS-10, $27,206 - $35,369...........	1,232		1,010		761		-249	
GS-9, $24,705 - $32,121............	1,300		1,400		1,738		338	
GS-8, $22,367 - $29,081............	680		680		680		...	
GS-7, $20,195 - $26,252............	1,835		2,047		2,346		299	
GS-6, $18,174 - $23,628............	1,508		1,508		1,508		...	
GS-5, $16,305 - $21,201............	3,533		2,200		1,751		-449	
GS-4, $14,573 - $18,947............	1,083		1,083		1,083		...	
GS-3, $12,982 - $16,879............	198		198		198		...	
Ungraded Positions.................	466		466		466		...	
1991 pay increase..................	...	...	...	...	...	$12,157	...	$12,157
Total, appropriated positions....	22,421	$723,274	21,136	$724,272	21,643	773,095	507	$48,823
Pay above stated annual rates......	...	...	...	...	...	2,897	...	2,897
Lapse..............................	-411	-11,343	-730	-20,147	-1,460	-40,294	-730	-20,147
Savings due to lower pay scales for part of the year......	...	-5,913	...	-7,406	...	...	...	7,406
Net full-time permanent.......	22,010	$706,018	20,406	$696,719	20,183	$735,698	-223	$38,979

Federal Bureau of Investigation

Salaries and expenses

Summary of Requirements by Grade and Object Class (continued)

(Dollars in thousands)

Grades and Salary Ranges	1989 Actual		1990 Estimate		1991 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Other than permanent:								
Part-time permanent........	195	$3,025	31	$543	31	$543	...	...
Other personnel compensation:								
Overtime..................	248	10,982	248	9,884	248	9,884	...	...
Administratively uncontrollable overtime..	2,092	59,616	2,035	60,170	2,011	105,983	-24	$45,813
Other compensation........	89	24,752	89	15,760	89	15,760	...	...
Total, workyears and personnel compensation...	24,634	$804,393	22,809	$783,076	22,562	$867,868	-247	$84,792
Average ES Salary............	...	($76,695)	...	($79,480)	...	($80,649)		
Average GS/GM Salary.........	...	($30,250)	...	($30,984)	...	($31,374)		
Average GS/GM Grade..........	...	(9.46)	...	(9.70)	...	(9.83)		
Average Salary of Ungraded Positions	...	($23,250)	...	($24,087)	...	($24,810)		

Federal Bureau of Investigation

Salaries and expenses

Summary of Requirements by Grade and Object Class (continued)

(Dollars in thousands)

Object Class	1989 Actuals		1990 Estimate		1991 Estimate		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1 Full-time permanent	22,010	$706,018	20,406	$696,719	20,183	$735,698	-223	$38,979
11.3 Part-time permanent	195	3,025	31	543	31	543	...	...
11.5 Other personnel compensation	2,429	95,350	2,372	85,814	2,348	131,627	-24	45,813
Total, workyears and personnel compensation	24,634	804,393	22,809	783,076	22,562	867,868	-247	84,792
Reimbursable workyears:								
Full-time permanent	(763)	...	(2,574)	...	(2,870)	...	(296)	...
Overtime/holiday	(143)	...	(160)	...	(262)	...	(102)	...
Total, reimbursable workyears	(906)	...	(2,734)	...	(3,132)	...	(398)	...
12 Personnel benefits	...	170,036	...	191,213	...	216,897	...	25,684
13 Benefits to former personnel	...	440	...	389	...	287	...	-102
21 Travel and transportation of persons	...	33,879	...	32,626	...	32,861	...	235
22 Transportation of things	...	6,970	...	6,256	...	7,775	...	1,519
23.1 GSA Rent	...	87,504	...	85,186	...	91,444	...	6,258
23.2 Rental payments to others	...	9,333	...	7,216	...	7,216	...	...
23.3 Communications, utilities and miscellaneous charges	...	55,338	...	64,288	...	62,547	...	-1,741
24 Printing and Reproduction	...	2,781	...	2,507	...	2,665	...	158
25 Other services	...	147,381	...	118,691	...	145,617	...	26,926
26 Supplies and materials	...	39,622	...	35,932	...	36,276	...	344
31 Equipment	...	96,207	...	167,434	...	178,108	...	10,674
32 Lands and structures	...	4,326	...	15,153	...	...	...	-15,153
42 Insurance claims and indemnities	...	345	...	506	...	506	...	...
91 Unvouchered	...	...	...	70	...	70	...	...
Total Obligations	24,634	1,458,555	22,809	1,510,543	22,562	1,650,137	-729	$139,594

Mr. Smith. We are pleased to have back with us Director William Sessions.

How do you wish to proceed?

Mr. Sessions. Thank you, Mr. Chairman.

I am prepared to read a statement to you that would be the basis for my testimony here.

Mr. Smith. Thank you.

Mr. Sessions. Mr. Chairman, Members of the Subcommittee, I am pleased to be back here today to talk about the FBI's budget for fiscal year 1991.

In these times of sweeping international changes, it is no easy matter to predict and allocate funds for future needs. More and more, we are seeing that matters of national concern last year are not necessarily matters of national concern this year.

But in a shifting world, one thing is certain: Crime is here to stay. It is constant in times of stability and it inevitably intensifies in times like these of political and social realignments.

In fact, national and international crime problems have burgeoned in recent years. As an example, the illegal drug trade has sunk its roots deep into societies across the world and directly forced the growth of related crimes of violence, money laundering, and terrorism. At the same time, advances in modern technologies have been turned to dark purposes. They have created new kinds of crime and they have rendered traditional crimes more sophisticated and more difficult to trace.

FBI INCREASED RESPONSIBILITIES

FBI responsibilities, as you know, have increased dramatically in the face of these challenges. We have new jurisdictions to investigate and we have greater responsibilities within our traditional jurisdictions. Think of savings and loan fraud as an example. In addition, our investigations are increasingly long-term, labor-intensive, and technical.

Today the FBI is rapidly adapting to a changing environment. We have restructured and streamlined operations. We have cut away outdated activities. And we have implemented efficiency measures to maximize our effectiveness. We have the people, the programs, the knowledge, and the determination to take on the difficult tasks that lie ahead, but we cannot succeed without the resources. Therefore, I am asking you today to support fully the requests for resources that are contained in the President's budget.

For fiscal year 1991, as you noted, we are requesting a total of $1.64 billion in direct funding and 21,643 permanent positions. The total funding requested constitutes an increase of approximately $141 million over the final 1990 appropriation. This budget request also provides for a net increase of 507 permanent positions over the fiscal year 1990 level. This increase consists of 335 support positions and 172 agent positions.

The adjustments to base level funding include an increase of $16.7 million which reflects the annualization of additional resources received pursuant to the President's Violent Crime Initiative. Increases totaling $121.1 million to cover mandatory increases in expenses such as rent, salaries and administratively uncontrollable overtime are also included. These increases are offset in part by decreases to base level funding totaling $36.8 million. These decreases include a reduction of $15 million associated with the cost of construction of POD B of the engineering research facility at Quantico, Virginia and $10 million associated with the cost of relocating the Washington metropolitan field office.

In total, the changes to base level funding amount to a net increase of $100,956,000. Under today's circumstances, it is essential that these adjustments be fully funded if the FBI is to be able to operate effectively in the coming year.

In preparing the budget for 1991, the FBI found itself somewhat overtaken by events related to the passage of Public Law 101-173, which modified the basis on which the rate of pay for administratively uncontrollable overtime is calculated. The enactment of this law will make it possible to pay up to 25 percent of an agent's base pay for administratively uncontrollable overtime, thus raising the previous limit of 25 percent of base pay of a GS-10 entry level agent. While I believed strongly in the need for this legislation, I was concerned about the impact of its passage because the law created a $42 million unfunded salary expense for fiscal year 1991.

ABSORPTION OF ADMINISTRATIVELY UNCONTROLLABLE OVERTIME

In seeking to find a way to absorb the additional $42 million in salary expenses attributable to Public Law 101-173, the FBI originally proposed to reduce the funded agent complement. The only options I thought were open to me at that time were to reduce personnel or to reprogram equipment. Because our equipment budget has been so affected by past absorptions, I considered a permanent reduction of this magnitude to be ill-advised and unacceptable.

Over the past several years, all of the agencies of the Federal Government have had to absorb many increases in expenses, while the demand for services also continued to increase. During this time, the FBI has sought to maintain the level of investigative operations and support functions, and in order to do this, has had to reduce expenditures for equipment.

The FBI's expenditures can only be made for personnel in the form of salaries and benefits or for expenses which take the form of supplies, equipment and various overhead items. We have historically chosen to preserve our personnel base at the expense of equipment. I have brought with me a chart which depicts some of the cost increases that have been funded by offsetting them against our equipment budget. As you can see on the chart, the absorptions the FBI has, have increased from 2.5 percent of our total budget in 1989 to 7.9 percent in 1991. This indicates that $36,575,000 was taken out in 1989 and that $130,077,000 will be taken out in 1991.

The matter of absorbing the increase in cost for administratively uncontrollable overtime has now been reconsidered in cooperation with the Department of Justice and the Office of Management and Budget. This budget proposes a means of funding the increased cost in fiscal year 1991 which requires manageable program decreases, along with an adjustment in the lapse of new positions. Since the FBI is no longer faced with a permanent reprogramming to fund the additional cost of administratively uncontrollable overtime, we are now able to absorb these costs for fiscal year 1991 without reducing personnel.

Accordingly, this budget request includes program reductions for regional conferences and confidential expenditures of $1 million each and base equipment for $9.1 million. In addition, $1.6 million originally identified for capital improvement projects will be applied to the administratively uncontrollable overtime (AUO). Another $26.7 million of the cost associated with the AUO will be absorbed by delaying the hiring of personnel for the President's 1991 initiatives until the latter part of the year.

In addition, the FBI is seeking approval to conduct certain background investigations for the United States Attorneys offices on a reimbursable basis, which would allow an additional $2.6 million to be applied to the overtime cost.

DRUG ISSUE

I would like to take this opportunity to discuss very briefly the most significant programs of the FBI, to remind you of their importance to the American people, and to ask you to support fully the request for resources contained in this budget.

It is widely accepted that the foremost law enforcement issue today is the drug problem. Dealing with this complex problem will continue to require a coordinated effort on many fronts and at many levels of government. Although there is much debate concerning the manner in which the production, transportation, sale, and consumption of illegal drugs should be handled, one thing is clear, the supply side of the drug problem must be dealt with in a strong and consistent fashion. This mandates attacking the suppliers, the transporters and the merchants. It means identifying and investigating the groups and organizations which traffic in illegal drugs, bringing them to justice, and seizing the fruits and instrumentalities of their crimes.

In 1986, four years ago, the FBI, with the concurrence of the Attorney General, adopted a well-defined National Drug Strategy which concentrates resources of the FBI on the trafficking organizations at the highest levels of international and national drug trafficking. Since 1983, seven years ago, the FBI has shifted resources in such a way as to enable us to conduct vigorous long-term investigations, expand the drug intelligence base, coordinate continuously with the Drug Enforcement Administration, and provide assistance to other Federal, state and local law enforcement agencies.

Our implementation of the National Drug Strategy, is having significant results. Cases such as "Polar Cap" in which $50 million worth of assets were seized, "Cat-Com" which resulted in the indictment of 93 individuals and dismantlement of seven drug trafficking organizations, and "White Mare" which resulted in the largest domestic seizure of heroin ever, 900 pounds, and the identification and indictment of five international heroin trafficking organizations are proof that our strategy works.

In fiscal year 1989, drug-related indictments and informations were brought against 4,467 individuals, convictions were obtained against 2,853, and over $125 million in assets were seized and $45 million in assets were forfeited as a result of FBI investigations.

Our mission is clear, our strategy is working, and we are having an impact. The FBI intends to keep the pressure on the enterprises in this vital part of the war on drugs. Therefore, this 1991 budget requests an increase of 333 positions, 119 workyears, and $19.2 million in direct funding for the drugs program, along with an additional 224 reimbursable workyears for our participation in the Organized Crime Drug Enforcement Task Force program.

WHITE-COLLAR CRIME

The investigation of white-collar crime remains one of the top national priorities of the FBI. The White-Collar Crime program covers a broad range of activities which are generally classified as Government fraud, environmental crimes, public corruption and financial crimes. Each of which deals with issues critical to America's confidence in the institutions of Government and to private enterprise. The magnitude of the white-collar crime areas is such that it is impossible for the FBI to investigate all of the white-collar crime cases that come to our attention. We must, therefore, constantly analyze trends so as to direct our resources to the maximum advantage.

Cases such as "Hedge Clipper" and "Sour Mash", which exposed corrupt trading practices in the commodities trading industry in Chicago, and "Illwind" which focused attention on defense procurement fraud, stand as proof that the FBI is on the cutting edge of law enforcement in this country. In fiscal year 1989, the FBI's investigations were the basis for over 4,500 convictions and pretrial diversions in white-collar crime cases.

In addition, white-collar crime cases resulted in fines, recoveries, and restitutions totaling $946 million along with $24 million in forfeitures and $328.4 million in seizures. This is a return of almost seven to one over the total cost of the White-Collar Crime program.

Here, again, the FBI's strategy is working and we are having an impact. We are continuing investigation of significant cases in each of the categories of white-collar crime and are mobilizing resources to vigorously pursue financial institutions fraud. We are, therefore, requesting an increase of 440 positions, 110 workyears, and funding in the amount of $12.4 million for the White Collar Crime program.

ORGANIZED CRIME

The FBI's Organized Crime program continues to counter the criminal activities of La Cosa Nostra and other organized criminal groups. The FBI's enterprise theory of investigation coupled with prosecutions under both the civil and criminal provisions of the Racketeering Influenced and Corrupt Organizations (RICO) statute have proven to be extremely effective.

The Organized Crime National Strategy, which was based on careful analysis and judicious application of the law, has enabled the FBI to have a profound effect upon the criminal organizations while minimizing the resources required to do so.

LA COSA NOSTRA CONVICTIONS

In fiscal year 1989, the FBI's Organized Crime National Strategy resulted in the indictment or conviction of 18 members of La Cosa Nostra hierarchy. Additionally, 643 convictions were obtained and 510 indictments were filed against members and associates of La Cosa Nostra. In addition, 119 defendants were charged in civil complaints filed under the RICO statute, and 20 judgments were obtained against La Cosa Nostra members, unions and others. Property valued at over $9 million was seized utilizing the civil provisions of the RICO statute.

These investigations and cases have caused serious disruption of La Cosa Nostra activities in Philadelphia, Buffalo, New York City, and West Virginia, among other places. We can have this continuing impact by aggressive implementation of our National Strategy.

In addition to applying resources to the investigation of criminal enterprises of La Cosa Nostra, we are troubled by the dynamic emergence of Asian groups engaged in organized criminal activity. Toward this end, we are requesting an increase of 172 positions, 44 workyears, and $4.1 million for the Organized Crime program in order to respond to the emergence of Asian organized crime.

The crime problems for which the FBI is responsible are many and varied, but they share certain characteristics. They are each, in their own right, complex and sophisticated. They each require complex and sophisticated investigative techniques, and this translates into a need for extensive technical support based upon careful analysis and conservative estimates.

The program enhancements we are requesting involve resources needed to continue initiatives which the Congress has supported in the past. Over 87 percent of the program increases requested in this budget are concentrated in the FBI's priority investigative programs. The remainder of the increases are spread among the various initiatives which directly support those investigative programs.

OTHER FUNDING AREAS

I cannot overstate the importance of maintaining a balance in the mix between personnel and equipment in the FBI. Critical programs including the Automated Data Processing and Telecommunications program, the Technical Field Support and Equipment program, the Records Management program, and the Forensic Services Federal program are essential to the continued success of the FBI.

In the final analysis, the work of the FBI involves collection, analysis, and preservation of information about, or physical evidence of violations of law. If we are unable to gather and process information and evidence, all the planning in the world is of little use.

In the aggregate, this budget includes program increases of 1,285 positions, 357 direct workyears, and funding in the amount of $81.8 million.

PROGRAM DECREASES

This budget also includes program decreases of 740 positions, 660 workyears, and funding in the amount of $41.9 million. Most of this reduction, 514 positions, 514 workyears, and $27.3 million, is necessary to comply with deficit reduction targets established by the Administration.

A-76 REDUCTIONS

An additional reduction of 146 positions, 146 workyears, and $869,000 reflects anticipated savings to be derived from the implementation of the Office of Management and Budget's Circular A-76. The remaining program decreases are included to allow for funding the increased cost of administratively uncontrollable overtime, as I explained earlier.

CONCLUSION OF STATEMENT

At the outset of my remarks I touched briefly on the priority programs of the FBI and spoke about the strategies designed to maximize the impact of the resources allocated to each. I also spoke about the many base level and program changes that are included in this budget.

If the FBI is to continue to serve the American people in the way they have come to expect, we must be able to attract and retain people who meet rigorous standards and who can stand up to the demands made of them. Such people deserve to be compensated fairly, and they also deserve the tools necessary to do the job.

This budget request, if funded, will enable the FBI to meet our obligations. I am confident that we can do this because the men and women who make up the FBI have a strong, continuing commitment to duty and a well-established passion for excellence.

I present this budget request to you today, certain in the knowledge that our mission is clear, that our strategies work and that the FBI will continue to serve proudly and well, and I ask for your support.

Thank you and the Members of the Committee for listening so carefully to me.

[The prepared statement of FBI Director Sessions follows:]

DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
STATEMENT OF THE DIRECTOR
WILLIAM S. SESSIONS
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES
MARCH 14, 1990

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, I AM PLEASED TO BE HERE TODAY TO TALK ABOUT THE FBI'S BUDGET FOR FISCAL YEAR 1991.

IN THESE TIMES OF SWEEPING INTERNATIONAL CHANGES, IT IS NO EASY MATTER TO PREDICT AND ALLOCATE FUNDS FOR FUTURE NEEDS. MORE AND MORE, WE ARE SEEING THAT MATTERS OF NATIONAL CONCERN LAST YEAR ARE NOT NECESSARILY MATTERS OF NATIONAL CONCERN THIS YEAR. BUT IN A SHIFTING WORLD, ONE THING IS CERTAIN: CRIME IS HERE TO STAY. IT IS CONSTANT IN TIMES OF STABILITY--AND IT INEVITABLY INTENSIFIES IN TIMES, LIKE THESE, OF POLITICAL AND SOCIAL REALIGNMENTS.

IN FACT, NATIONAL AND INTERNATIONAL CRIME PROBLEMS HAVE BURGEONED IN RECENT YEARS. AS AN EXAMPLE, THE ILLEGAL DRUG TRADE HAS SUNK ITS ROOTS DEEP INTO SOCIETIES ACROSS THE WORLD--AND DIRECTLY FORCED THE GROWTH OF RELATED CRIMES OF VIOLENCE, MONEY LAUNDERING, AND TERRORISM. AT THE SAME TIME, ADVANCES IN MODERN TECHNOLOGIES HAVE BEEN TURNED TO DARK PURPOSES: THEY HAVE CREATED NEW KINDS OF CRIME, AND THEY HAVE RENDERED TRADITIONAL CRIMES MORE SOPHISTICATED AND MORE DIFFICULT TO TRACE.

FBI RESPONSIBILITIES, AS YOU KNOW, HAVE INCREASED DRAMATICALLY IN THE FACE OF THESE CHALLENGES--WE HAVE NEW JURISDICTIONS TO INVESTIGATE, AND WE HAVE GREATER RESPONSIBILITIES WITHIN OUR TRADITIONAL JURISDICTIONS. JUST THINK OF SAVINGS-AND-LOAN FRAUD AS AN EXAMPLE. IN ADDITION, OUR INVESTIGATIONS ARE INCREASINGLY LONG-TERM, LABOR INTENSIVE, AND TECHNICAL.

TODAY THE FBI IS ADAPTING TO A CHANGING ENVIRONMENT. WE HAVE RESTRUCTURED AND STREAMLINED OPERATIONS; WE HAVE CUT AWAY OUTDATED ACTIVITIES; AND WE HAVE IMPLEMENTED EFFICIENCY MEASURES TO MAXIMIZE OUR EFFECTIVENESS. WE HAVE THE PEOPLE, THE PROGRAMS, THE KNOWLEDGE, AND THE DETERMINATION TO TAKE ON THE DIFFICULT TASKS THAT LIE AHEAD--BUT WE CANNOT SUCCEED WITHOUT THE RESOURCES. THEREFORE, I AM ASKING YOU TODAY TO SUPPORT FULLY THE REQUESTS FOR RESOURCES THAT ARE CONTAINED IN THE PRESIDENT'S BUDGET.

FOR FISCAL YEAR 1991, WE ARE REQUESTING A TOTAL OF $1.64 BILLION IN DIRECT FUNDING AND 21,643 PERMANENT POSITIONS. THE TOTAL FUNDING REQUESTED CONSTITUTES AN INCREASE OF APPROXIMATELY $141 MILLION OVER THE FINAL 1990 APPROPRIATION. THIS BUDGET REQUEST ALSO PROVIDES FOR A NET INCREASE OF 507 PERMANENT POSITIONS OVER THE FISCAL YEAR 1990 LEVEL. THIS INCREASE CONSISTS OF 335 SUPPORT POSITIONS AND 172 AGENT POSITIONS.

ADJUSTMENTS TO BASE FUNDING

THE ADJUSTMENTS TO BASE LEVEL FUNDING INCLUDE AN INCREASE OF $16.7 MILLION WHICH REFLECTS THE ANNUALIZATION OF ADDITIONAL RESOURCES RECEIVED PURSUANT TO THE COMPREHENSIVE CRIME CONTROL ACT OF 1989. INCREASES TOTALLING $121.1 MILLION TO COVER MANDATORY INCREASES IN EXPENSES SUCH AS RENT AND SALARY AND ADMINISTRATIVELY UNCONTROLLABLE OVERTIME ARE ALSO INCLUDED. THESE INCREASES ARE OFFSET IN PART BY DECREASES TO BASE LEVEL FUNDING TOTALLING $36.8 MILLION. THESE DECREASES INCLUDE A REDUCTION OF $15 MILLION ASSOCIATED WITH THE COST OF CONSTRUCTION OF POD B OF THE ENGINEERING RESEARCH FACILITY AT QUANTICO, VIRGINIA, AND $10 MILLION ASSOCIATED WITH THE COST OF RELOCATING THE WASHINGTON METROPOLITAN FIELD OFFICE. IN TOTAL THE CHANGES TO BASE LEVEL FUNDING AMOUNT TO A NET INCREASE OF $100,956,000. UNDER TODAY'S CIRCUMSTANCES, IT IS ESSENTIAL THAT THESE ADJUSTMENTS BE FULLY FUNDED IF THE FBI IS TO BE ABLE TO OPERATE EFFECTIVELY IN THE COMING YEAR.

ADMINISTRATIVELY UNCONTROLLABLE OVERTIME

IN PREPARING THE BUDGET FOR 1991 THE FBI FOUND ITSELF SOMEWHAT OVERTAKEN BY EVENTS RELATED TO THE PASSAGE AND ENACTMENT OF PUBLIC LAW 101-173, WHICH MODIFIED THE BASIS UPON WHICH THE RATE OF PAY FOR ADMINISTRATIVELY UNCONTROLLABLE OVERTIME IS CALCULATED. THE ENACTMENT OF THIS LAW WILL MAKE IT POSSIBLE TO PAY UP TO 25 PERCENT OF

Federal Bureau of Investigation

Salaries and expenses

Summary of Requirements by Grade and Object Class (continued)

(Dollars in thousands)

	1989 Actual		1990 Estimate		1991 Request	
	Workyears	Amount	Workyears	Amount	Workyears	Amount
Unobligated balance available, start-of-year.....	...	-$40,919	...	-$21,340	...	-$9,900
Unobligated balance available, end-of-year.......	...	21,340	...	9,900	...	...
Unobligated balance, lapsing....................	...	124	...	...	...	...
Reduction Persuant to Public Law 99-177..........	...	...	...	341	...	...
Total requirement..........................	...	1,439,100	...	1,499,444	...	1,640,237
Budget Authority:						
Relation of obligations to outlays:						
Obligations incurred, net.......................	...	1,458,555	...	1,510,543	...	1,650,137
Obligated balance, start-of-year................	...	348,450	...	279,576	...	349,831
Obligated balance, end-of-year..................	...	-279,576	...	-349,831	...	-453,731
Adjustments in expired accounts.................	...	439	...	...	...	...
Outlays....................................	...	$1,527,868	...	$1,440,288	...	$1,546,237

767

Federal Bureau of Investigation

Salaries and expenses

Consulting and Related Services
(Dollars in thousands)

	1989 Actual	1990 Estimate	1991 Estimate
Consulting Services	$2,053	$3,989	$3,989

The services of consultants are obtained when either in-house staff does not possess the particular expertise or resources to conduct certain activities or when a service or project can be performed more economically by an outside contractor, academician, or professional. For example, to comply with Office of Management and Budget Circular A-76, the FBI has acquired contractor services to assist in conducting management productivity studies. Subject-area experts are used, as needed, in analyzing and examining items of evidence and conducting forensic research. Computer crime research is also conducted by consultants for the FBI. On-site physical examinations are conducted by contract physicians and the services of qualified psychiatrists are retained to support a psychological services program available to all FBI employees and their immediate families. These services function as a tool for carrying out responsibilities in the areas of hostage negotiation, crisis management, and counterterrorism. Additional areas that will require consulting services in 1990 and 1991 include: development of artificial intelligence expert systems to support counterterrorism investigations; automation of various activities in the Identification Division and certain systems maintenance activities for financial management and the Northeast Regional Computer Support Center (NERCSC) at Fort Monmouth, New Jersey; and microcomputer support for selected automation activities. Additionally, professional photographic consultants are needed to establish regional photograph processing centers for the FBI.

BASE PAY FOR ADMINISTRATIVELY UNCONTROLLABLE OVERTIME, THUS OVERCOMING THE PREVIOUS LIMIT OF 25 PERCENT OF BASE PAY OF A GS-10 ENTRY LEVEL AGENT. WHILE I BELIEVED STRONGLY IN THE NEED FOR THIS LEGISLATION, I WAS CONCERNED ABOUT THE IMPACT OF ITS PASSAGE, BECAUSE THE LAW CREATED AN UNFUNDED SALARY EXPENSE FOR FISCAL YEAR 1991.

IN SEEKING TO FIND A WAY TO ABSORB THE ADDITIONAL $42 MILLION IN SALARY EXPENSE ATTRIBUTABLE TO PUBLIC LAW 101-173, THE FBI ORIGINALLY PROPOSED TO REDUCE THE FUNDED AGENT COMPLEMENT. THE ONLY OPTIONS I THOUGHT WERE OPEN TO ME AT THAT TIME WERE TO REDUCE PERSONNEL OR TO REPROGRAM EQUIPMENT. BECAUSE OUR EQUIPMENT BUDGET HAS BEEN SO AFFECTED BY PAST ABSORPTIONS, I CONSIDERED A PERMANENT REDUCTION OF THIS MAGNITUDE TO BE UNACCEPTABLE.

OVER THE PAST SEVERAL YEARS ALL OF THE AGENCIES OF THE FEDERAL GOVERNMENT HAVE HAD TO ABSORB MANY INCREASES IN EXPENSES, WHILE THE DEMAND FOR SERVICES ALSO CONTINUED TO INCREASE. DURING THIS TIME THE FBI HAS SOUGHT TO MAINTAIN THE LEVEL OF INVESTIGATIVE OPERATIONS AND SUPPORT FUNCTIONS, AND IN ORDER TO DO THIS HAS HAD TO REDUCE EXPENDITURES FOR EQUIPMENT. THE FBI'S EXPENDITURES CAN ONLY BE MADE FOR PERSONNEL, IN THE FORM OF SALARIES AND BENEFITS, OR FOR EXPENSES, WHICH TAKE THE FORM OF SUPPLIES, EQUIPMENT AND VARIOUS OVERHEAD ITEMS. WE HAVE HISTORICALLY CHOSEN TO PRESERVE OUR PERSONNEL BASE AT THE EXPENSE OF EQUIPMENT. I HAVE BROUGHT WITH ME A

CHART WHICH DEPICTS SOME OF THE COST INCREASES FUNDED BY OFFSET AGAINST OUR EQUIPMENT BUDGET.

THE MATTER OF ABSORBING THE INCREASE IN COST OF ADMINISTRATIVELY UNCONTROLLABLE OVERTIME HAS NOW BEEN RECONSIDERED, IN COOPERATION WITH THE DEPARTMENT OF JUSTICE AND THE OFFICE OF MANAGEMENT AND BUDGET. THIS BUDGET PROPOSES A MEANS OF FUNDING THE INCREASED COST IN FISCAL YEAR 1991 WHICH REQUIRES MANAGEABLE PROGRAM DECREASES, ALONG WITH AN ADJUSTMENT TO THE LAPSE OF NEW POSITIONS. SINCE THE FBI IS NO LONGER FACED WITH A PERMANENT REPROGRAMMING TO FUND THE ADDITIONAL COST OF ADMINISTRATIVELY UNCONTROLLABLE OVERTIME, WE ARE ABLE TO ABSORB THESE COSTS FOR FISCAL YEAR 1991 WITHOUT REDUCING PERSONNEL.

ACCORDINGLY, THIS BUDGET REQUEST INCLUDES PROGRAM REDUCTIONS FOR REGIONAL CONFERENCES AND CONFIDENTIAL EXPENDITURES OF $1 MILLION EACH, AND BASE EQUIPMENT FOR $9.1 MILLION. IN ADDITION $1.6 MILLION ORIGINALLY IDENTIFIED FOR CAPITAL IMPROVEMENTS PROJECTS WILL BE APPLIED TO ADMINISTRATIVELY UNCONTROLLABLE OVERTIME. ANOTHER $26.7 MILLION OF THE COSTS ASSOCIATED WITH PUBLIC LAW 101-173 WILL BE ABSORBED BY DELAYING THE HIRING OF PERSONNEL FOR THE PRESIDENT'S 1991 INITIATIVES UNTIL THE LATTER PART OF THE YEAR. IN ADDITION, THE FBI IS SEEKING APPROVAL TO CONDUCT CERTAIN BACKGROUND INVESTIGATIONS FOR THE UNITED STATES ATTORNEYS ON A REIMBURSABLE BASIS, WHICH

WOULD ALLOW AN ADDITIONAL $2.6 MILLION TO BE APPLIED TO THE OVERTIME COST.

PROGRAM CHANGES

I WOULD LIKE TO TAKE THIS OPPORTUNITY TO EXPLAIN VERY BRIEFLY THE MOST SIGNIFICANT PROGRAMS OF THE FBI, TO REMIND YOU OF THEIR IMPORTANCE TO THE AMERICAN PEOPLE, AND TO ASK YOU TO SUPPORT FULLY THE REQUEST FOR RESOURCES CONTAINED IN THIS BUDGET.

DRUGS PROGRAM

UNDOUBTEDLY, THE FOREMOST LAW ENFORCEMENT ISSUE TODAY IS THE DRUG PROBLEM. DEALING WITH THIS COMPLEX PROBLEM WILL CONTINUE TO REQUIRE A COORDINATED EFFORT ON MANY FRONTS AND AT MANY LEVELS OF GOVERNMENT. ALTHOUGH THERE IS MUCH DEBATE AS TO PRECISELY HOW TO DEAL WITH THE PRODUCTION, TRANSPORTATION, SALE, AND CONSUMPTION OF ILLEGAL DRUGS, ONE THING IS CLEAR. THE SUPPLY SIDE OF THE DRUG PROBLEM MUST BE DEALT WITH IN A FIRM AND LASTING WAY. THIS MEANS ATTACKING THE SUPPLIERS, THE TRANSPORTERS, AND THE MERCHANTS. IT MEANS IDENTIFYING AND INVESTIGATING THE GROUPS AND ORGANIZATIONS WHICH TRAFFIC IN ILLEGAL DRUGS, BRINGING THEM TO JUSTICE AND SEIZING THE FRUITS AND INSTRUMENTALITIES OF THEIR CRIMES.

IN 1986, THE FBI, WITH THE CONCURRENCE OF THE ATTORNEY GENERAL, ADOPTED A WELL-DEFINED NATIONAL DRUG STRATEGY WHICH CONCENTRATES RESOURCES OF THE FBI ON THE ORGANIZATIONS AT THE HIGHEST LEVELS OF INTERNATIONAL AND

NATIONAL DRUG TRAFFICKING. SINCE 1983 THE FBI HAS SHIFTED RESOURCES IN SUCH A WAY AS TO ENABLE US TO CONDUCT VIGOROUS LONG-TERM INVESTIGATIONS, EXPAND THE DRUG INTELLIGENCE BASE, COORDINATE CONTINUOUSLY WITH THE DRUG ENFORCEMENT ADMINISTRATION, AND PROVIDE ASSISTANCE TO OTHER FEDERAL, STATE, AND LOCAL LAW ENFORCEMENT AGENCIES.

OUR IMPLEMENTATION OF THIS STRATEGY IS HAVING SIGNIFICANT RESULTS. CASES SUCH AS "POLAR CAP," IN WHICH OVER $50 MILLION WORTH OF ASSETS WERE SEIZED, "CAT-COM," WHICH RESULTED IN THE INDICTMENT OF 93 INDIVIDUALS AND DISMANTLEMENT OF SEVEN DRUG TRAFFICKING ORGANIZATIONS AND "WHITE MARE," WHICH RESULTED IN THE LARGEST DOMESTIC SEIZURE OF HEROIN EVER, 900 POUNDS, AND THE IDENTIFICATION AND INDICTMENT OF FIVE INTERNATIONAL HEROIN TRAFFICKING ORGANIZATIONS ARE PROOF THAT OUR STRATEGY WORKS.

IN FISCAL YEAR 1989, DRUG-RELATED INDICTMENTS AND INFORMATIONS WERE BROUGHT AGAINST 4,467 INDIVIDUALS, CONVICTIONS WERE OBTAINED AGAINST 2,853, AND OVER $125 MILLION IN ASSETS WERE SEIZED AND $45 MILLION WERE FORFEITED AS A RESULT OF FBI INVESTIGATIONS.

OUR MISSION IS CLEAR, OUR STRATEGY IS WORKING, AND WE ARE HAVING AN IMPACT. THE FBI INTENDS TO KEEP THE PRESSURE ON THE ENTERPRISES IN THIS VITAL PART OF THE WAR ON DRUGS. THEREFORE, THIS 1991 BUDGET REQUESTS AN INCREASE OF 333 POSITIONS, 119 WORKYEARS, AND $19.2 MILLION IN DIRECT FUNDING FOR THE DRUGS PROGRAM, ALONG

WITH A NET ADDITIONAL 224 REIMBURSABLE WORKYEARS FOR OUR PARTICIPATION IN THE ORGANIZED CRIME DRUG ENFORCEMENT PROGRAM.

WHITE-COLLAR CRIME PROGRAM

THE INVESTIGATION OF WHITE-COLLAR CRIME REMAINS ONE OF THE TOP NATIONAL PRIORITIES OF THE FBI. THE WHITE-COLLAR CRIME PROGRAM COVERS A BROAD RANGE OF ACTIVITIES WHICH ARE GENERALLY CLASSIFIED AS GOVERNMENT FRAUD, ENVIRONMENTAL CRIMES, PUBLIC CORRUPTION, AND FINANCIAL CRIMES. IT IS IMPOSSIBLE TO SAY WHICH OF THESE CATEGORIES OF CRIMES IS THE MOST IMPORTANT, SINCE EACH DEALS WITH ISSUES CRITICAL TO AMERICA'S CONTINUED CONFIDENCE IN THE INSTITUTIONS OF GOVERNMENT AND PRIVATE ENTERPRISE. THE SCOPE OF WHITE-COLLAR CRIME IS SUCH THAT IT IS IMPOSSIBLE FOR THE FBI TO INVESTIGATE ALL OF THE WHITE-COLLAR CRIME CASES THAT COME TO OUR ATTENTION. WE MUST, THEREFORE, CONSTANTLY ANALYZE TRENDS SO AS TO DIRECT OUR RESOURCES TO MAXIMUM ADVANTAGE.

CASES SUCH AS "HEDGE CLIPPER" AND "SOUR MASH," WHICH EXPOSED CORRUPT TRADING PRACTICES IN THE COMMODITIES TRADING INDUSTRY IN CHICAGO, AND "ILLWIND" WHICH FOCUSED ATTENTION ON DEFENSE PROCUREMENT FRAUD, STAND AS PROOF THAT THE FBI IS ON THE CUTTING EDGE OF LAW ENFORCEMENT IN THIS COUNTRY. IN FISCAL YEAR 1989 THE FBI INVESTIGATIONS WERE THE BASIS FOR OVER 4,500 CONVICTIONS AND PRETRIAL DIVERSIONS IN WHITE-COLLAR CRIME CASES. IN ADDITION, WHITE-COLLAR CRIME CASES RESULTED IN FINES, RECOVERIES, AND RESTITUTION TOTALLING $946 MILLION, ALONG WITH $24 MILLION IN FORFEITURES AND $328.4 MILLION IN SEIZURES.

HERE AGAIN, THE FBI'S STRATEGY IS WORKING AND WE ARE HAVING AN IMPACT. WE ARE CONTINUING INVESTIGATION OF SIGNIFICANT CASES IN EACH OF THE CATEGORIES OF WHITE-COLLAR CRIME AND ARE MOBILIZING RESOURCES TO VIGOROUSLY PURSUE FINANCIAL INSTITUTION FRAUDS. WE ARE REQUESTING AN INCREASE OF 440 POSITIONS, 11[illegible] WORKYEARS, AND FUNDING IN THE AMOUNT OF $12.4 MILLION FOR THE WHITE-COLLAR CRIME PROGRAM.

ORGANIZED CRIME PROGRAM

THE FBI'S ORGANIZED CRIME PROGRAM CONTINUES TO EVOLVE AS WE SEEK TO COUNTER THE CRIMINAL ACTIVITIES OF LA COSA NOSTRA AND OTHER ORGANIZED CRIMINAL GROUPS. THE FBI STRATEGY, KNOWN AS THE ENTERPRISE THEORY OF INVESTIGATION, COUPLED WITH PROSECUTIONS UNDER BOTH THE CIVIL AND CRIMINAL PROVISIONS OF THE RACKETEERING INFLUENCED AND CORRUPT ORGANIZATIONS STATUTE HAVE PROVEN TO BE EXTREMELY EFFECTIVE. THE ORGANIZED CRIME NATIONAL STRATEGY, WHICH WAS BASED ON CAREFUL ANALYSIS AND JUDICIOUS APPLICATION OF THE LAW, HAS ENABLED THE FBI TO HAVE A PROFOUND EFFECT UPON THESE CRIMINAL ORGANIZATIONS WHILE MINIMIZING THE RESOURCES REQUIRED TO DO SO.

IN FISCAL YEAR 1989, THE FBI'S ORGANIZED CRIME NATIONAL STRATEGY RESULTED IN THE INDICTMENT OR CONVICTION

OF 18 MEMBERS OF LA COSA NOSTRA HIERARCHY. ADDITIONALLY, 643 CONVICTIONS WERE OBTAINED AND 510 INDICTMENTS WERE FILED AGAINST MEMBERS AND ASSOCIATES OF LA COSA NOSTRA. IN ADDITION, 119 DEFENDANTS WERE CHARGED IN CIVIL COMPLAINTS FILED UNDER THE RICO STATUTE, AND 20 JUDGMENTS WERE OBTAINED AGAINST LA COSA NOSTRA MEMBERS, UNIONS AND OTHERS. ALSO, PROPERTY VALUED AT OVER $9 MILLION WAS SEIZED UTILIZING THE CIVIL PROVISIONS OF THE RICO STATUTE.

THESE INVESTIGATIONS AND CASES HAVE CAUSED SERIOUS DISRUPTION OF LA COSA NOSTRA ACTIVITIES IN PHILADELPHIA, BUFFALO, NEW YORK CITY, AND WEST VIRGINIA, AMONG OTHER PLACES. I FIRMLY BELIEVE THAT WE CAN HAVE THIS CONTINUING IMPACT BY AGGRESSIVE IMPLEMENTATION OF OUR NATIONAL STRATEGY.

WHILE WE CONTINUE TO APPLY RESOURCES TO THE INVESTIGATION OF CRIMINAL ENTERPRISES OF LA COSA NOSTRA, WE ARE TROUBLED BY THE DYNAMIC EMERGENCE OF ASIAN GROUPS ENGAGED IN ORGANIZED CRIMINAL ACTIVITY. TOWARD THIS END, WE ARE REQUESTING AN INCREASE OF 172 POSITIONS, 44 WORKYEARS, AND $4.1 MILLION FOR THE ORGANIZED CRIME PROGRAM IN ORDER TO RESPOND TO THE GROWING PROBLEM OF ASIAN ORGANIZED CRIME.

THE CRIME PROBLEMS FOR WHICH THE FBI IS RESPONSIBLE ARE MANY AND VARIED, BUT THEY SHARE CERTAIN CHARACTERISTICS. THEY ARE EACH, IN THEIR OWN RIGHT, COMPLEX AND SOPHISTICATED. THEY EACH REQUIRE COMPLEX AND

SOPHISTICATED INVESTIGATIVE TECHNIQUES, AND THIS TRANSLATES INTO A NEED FOR EXTENSIVE TECHNICAL SUPPORT. TO MEET THESE TECHNICAL REQUIREMENTS, THE FBI HAS DEVELOPED SEVERAL INITIATIVES WHICH ARE, AGAIN, BASED UPON CAREFUL ANALYSIS AND CONSERVATIVE ESTIMATE.

THE PROGRAM ENHANCEMENTS WE ARE REQUESTING INVOLVE RESOURCES NEEDED TO CONTINUE INITIATIVES WHICH THE CONGRESS HAS SUPPORTED IN THE PAST. OVER 87 PERCENT OF THE PROGRAM INCREASES REQUESTED IN THIS BUDGET ARE CONCENTRATED IN THE FBI'S PRIORITY INVESTIGATIVE PROGRAMS. THE REMAINDER OF THE INCREASES ARE SPREAD AMONG THE VARIOUS INITIATIVES WHICH DIRECTLY SUPPORT THOSE INVESTIGATIVE PROGRAMS. I CANNOT OVERSTATE THE IMPORTANCE OF MAINTAINING A BALANCE IN THE MIX BETWEEN PERSONNEL AND EQUIPMENT IN THE FBI. CRITICAL PROGRAMS INCLUDING THE AUTOMATED DATA PROCESSING AND TELECOMMUNICATIONS PROGRAM, THE TECHNICAL FIELD SUPPORT AND EQUIPMENT PROGRAM, THE RECORDS MANAGEMENT PROGRAM, AND THE FORENSIC SERVICES-FEDERAL PROGRAM ARE ESSENTIAL TO THE CONTINUED SUCCESS OF THE FBI. LET US NOT FORGET THAT, IN THE FINAL ANALYSIS, THE WORK OF THE FBI INVOLVES COLLECTION, ANALYSIS, AND PRESERVATION OF INFORMATION ABOUT, OR PHYSICAL EVIDENCE OF, VIOLATIONS OF LAW. IF WE ARE UNABLE TO GATHER AND PROCESS INFORMATION AND EVIDENCE, ALL THE PLANNING IN THE WORLD IS OF LITTLE USE.

IN THE AGGREGATE, THIS BUDGET INCLUDES PROGRAM INCREASES OF 1,285 POSITIONS, 357 DIRECT WORKYEARS, AND FUNDING IN THE AMOUNT OF $81.8 MILLION.

THESE ARE OFFSET, IN PART, BY PROGRAM DECREASES OF 740 POSITIONS, 740 WORKYEARS, AND FUNDING IN THE AMOUNT OF $41.9 MILLION. MOST OF THIS REDUCTION, 514 POSITIONS, 514 WORKYEARS, AND $27.3 MILLION, IS INCLUDED IN ORDER TO COMPLY WITH DEFICIT REDUCTION TARGETS ESTABLISHED BY THE ADMINISTRATION. AN ADDITIONAL REDUCTION OF 146 POSITIONS, 146 WORKYEARS, AND $869,000 REFLECTS ANTICIPATED SAVINGS TO BE DERIVED FROM THE IMPLEMENTATION OF THE OFFICE OF MANAGEMENT AND BUDGET'S CIRCULAR A-76. THE BALANCE OF THE PROGRAM DECREASES ARE INCLUDED TO ALLOW FOR FUNDING THE INCREASED COST OF ADMINISTRATIVELY UNCONTROLLABLE OVERTIME, AS I EXPLAINED EARLIER.

CONCLUSION

AT THE OUTSET OF MY REMARKS I TOUCHED BRIEFLY ON THE PRIORITY PROGRAMS OF THE FBI, AND I SPOKE ABOUT THE STRATEGIES DESIGNED TO MAXIMIZE THE IMPACT OF THE RESOURCES ALLOCATED TO EACH. I ALSO SPOKE ABOUT THE MANY BASE LEVEL AND PROGRAM CHANGES WHICH ARE INCLUDED IN THIS BUDGET.

IF THE FBI IS TO CONTINUE TO SERVE THE AMERICAN PEOPLE IN THE WAY THEY HAVE COME TO EXPECT, WE MUST BE ABLE TO ATTRACT AND RETAIN PEOPLE WHO MEET RIGOROUS STANDARDS AND WHO CAN STAND UP TO THE DEMANDS MADE OF

THEM. SUCH PEOPLE DESERVE TO BE COMPENSATED FAIRLY, AND THEY ALSO DESERVE THE TOOLS NECESSARY TO DO THE JOB.

THIS BUDGET REQUEST, IF FUNDED, WILL ENABLE THE FBI TO MEET OUR OBLIGATIONS IF WE ARE ABLE UTILIZE TO THE PLANS THAT WE HAVE SO CAREFULLY DEVISED. I'M CONFIDENT THAT WE CAN DO THIS BECAUSE THE MEN AND WOMEN WHO MAKE UP THE FBI HAVE A STRONG, CONTINUING COMMITMENT TO DUTY AND A PASSION FOR EXCELLENCE.

I PRESENT THIS BUDGET REQUEST TO YOU TODAY, CERTAIN IN THE KNOWLEDGE THAT OUR MISSION IS CLEAR, THAT OUR STRATEGIES WORK AND THAT THE FBI WILL CONTINUE TO SERVE PROUDLY AND WELL, AND I ASK FOR YOUR SUPPORT.

SEQUESTRATION AND ADMINISTRATIVELY UNCONTROLLABLE OVERTIME

Mr. SMITH. Well, now, Mr. Director, let me see if I can get these figures put together right here.

Mr. SESSIONS. All right, sir.

Mr. SMITH. You had a sequestration of about $21 million?

Mr. SESSIONS. That is correct.

Mr. SMITH. Then a law was passed—I won't say you passed it, but Congress passed a law for administratively uncontrollable overtime.

Mr. SESSIONS. That is correct.

Mr. SMITH. What was the cost of that?

Mr. SESSIONS. About $41.979 million. That is what it will be. It will actually come into effect on October 1, 1990. That is the requirement to pay it.

Mr. SMITH. Well, to take care of sequestration, you reduced certain things.

Mr. SESSIONS. That is correct.

Mr. SMITH. To some extent are you reducing the same things in order to try to offset administratively uncontrollable overtime?

Mr. SESSIONS. Some of the funding was taken from various sources. The main way we are dealing with it is by the $26.655 million that will be saved by the increased lapse rate.

In other words, the FBI will bring special agents on later in the year, rather than in a consistent pattern of hiring throughout the year. This will save approximately $26 million towards the increased cost of overtime.

BALANCE OF RESOURCES

Mr. SMITH. As far as personnel, you had an increase of 1,285, which I am sure you justified every one of those. You thing every of those is important.

Mr. SESSIONS. That is not a net, but that is correct.

Mr. SMITH. That is the increase, though. Then you had to offset that by reductions of 740?

Mr. SESSIONS. That is correct.

Mr. SMITH. So you end up with a little different mix—we say you have a little more that is under the title of drugs and a little more under one or two other titles and less under other titles.

Mr. SESSIONS. Organized crime, white-collar crime and drugs. Other than that, there is a little less, that is correct.

Mr. SMITH. Then you have less for other things?

Mr. SESSIONS. That is correct.

Mr. SMITH. On balance, will your organization, or will the FBI be as well balanced as it was before you made those shifts?

Mr. SESSIONS. Our reduction in the Organized Crime program in 1982 was the result Iowa the acquisition of Title 21 jurisdiction for drugs. So at that time, we reprogrammed into the drugs area almost half of those organized crime people.

You know that today the Organized Crime program and the Drugs program are separate. We also have the Organized Crime Drug Enforcement Task Force program.

The movement of resources is not unusual, but I think it is absolutely essential that we keep the balance. There are peaks that come up and hit us, like the savings and loan crisis.

You know that it is important for us to respond.

Mr. SMITH. Will you be as well balanced if this is the way it turns out, as you were before?

Your increase of 1,285 and decrease of 740 are in slightly different areas. Will you be as well balanced?

Mr. SESSIONS. We will not be as well balanced, but we will be able to respond to the needs placed. We will be able to have a relatively balanced program. You know, and I know, in the white-collar crime area, we can apply a great increase in resources to those difficult areas.

We could do the same in drugs, we could do the same practically in organized crime. But, it is a matter of trying to manage resources in a balanced way that will make strong programs. I think we have reflected this balance in our budget request.

Mr. SMITH. That is basically what bothers me somewhat. The Administration and the Congress are going to increase the efforts on drugs. Then at the same time we are reducing other things. That tells half the story.

You are increasing the drug effort, but can you take it away from the other things? That part of the story makes it look like your balance and proportions are being determined by what is politically popular to talk about—rather than whether or not you are going to be balanced.

DRUG STRATEGY

Mr. SESSIONS. There is another aspect of that. We found long before I was the Director that drugs were, in fact, involved in a great number of our investigative efforts.

When then Attorney General, William French Smith, gave us that jurisdiction in 1982, it was obvious that there were drugs involved in organized crime and in other areas of our investigations as well.

Essentially, we have maintained that balance there, but our National Drug Strategy is a very narrow and very well directed strategy aimed at the criminal organizations.

We are committed to use our National Strategy against major drug trafficking organizations, dealing in heroin and cocaine, with long-term investigations designed to actually break up the organizations and seize their assets and forfeit them.

We participate in the Organized Crime Drug Enforcement Task Force program which is essentially the same, it also targets the major drug organizations.

Mr. SMITH. You are the Federal Bureau of Investigation. This is something I think is commonly understood even by Members of Congress. You are not a law enforcement agency as much as you are an investigative agency. You have to investigate. The investigations are then used by law enforcement people. If the investigations aren't made, they don't know where to go to do their job.

Mr. SESSIONS. You are precisely right. The allocation of resources to those particular areas is a continuing and strong challenge.

STATUS OF WASHINGTON METROPOLITAN FIELD OFFICE MOVE

Mr. SMITH. One other way you propose to get some of the reductions necessary to offset some of these increased costs was by eliminating the $10 million previously appropriated for the Washington field office relocation.

Mr. SESSIONS. That is correct.

Mr. SMITH. What drives this decision? Are you not able to relocate, or are you just slowing it up?

Mr. SESSIONS. Mr. Chairman, the FBI, OMB, the Department of Justice, and GSA have struggled with that since 1982. There have been several times when locations have been found.

The last location was found in the spring before I became Director, in 1987. It was not an acceptable location from the point of view of the city government and the rejections made, we did not relocate there.

The difficulty of finding a place has been discouraging. I do not know what is going to happen from OMB's viewpoint, but they have removed funding from the move from our base. Therefore, it will not be in the base. We will have to find funding to be able to move it.

I think it is essential that it be done. We have not been able to get it done.

Mr. SMITH. You say there is objection—which city is objecting?

Mr. SESSIONS. The City of Washington, DC.

Mr. SMITH. They didn't want you to locate where you wanted to in the City of Washington?

Mr. SESSIONS. The last location was in Northwest Washington, near the Columbia Women's Hospital, and it was believed not to be an appropriate place and we have not pursued it.

Mr. SMITH. Have you pursued locations outside of the City of Washington?

Mr. SESSIONS. Not for moving the Washington-Metropolitan Field Office outside of the District of Columbia.

You may remember that in February of 1988, I consolidated the Alexandria, Virginia Field Office with the Washington Field Office. The Washington Metropolitan Field Office is what it is now.

We have not otherwise gone outside to find a location but we do have resident agencies outside.

Mr. SMITH. Is there still consideration of finding a location?

Mr. SESSIONS. Yes, it is absolutely essential to the FBI.

Mr. Smith. You don't think the money will be needed in the next fiscal year?

Mr. SESSIONS. It has been removed from the base. We are going to need the money some time, Mr. Chairman.

Mr. SMITH. Is there a possibility it will be needed in the next fiscal year.

Mr. SESSIONS. It is not probable. I think the chances are that OMB will actually continue to disallow our efforts to do that.

OFFICE OF MANAGEMENT AND BUDGET DENIALS FOR 1991

Mr. SMITH. What was your total request of OMB?

Mr. SESSIONS. It was a $1,972,375,000 and 24,529 positions.

Mr. SMITH. And what is represented by that difference in what was approved and what you requested—in terms of personnel effort?

Mr. SESSIONS. The request to Congress is $1,640,237,000 and 21,643 positions. This is a reduction of $257 million and 2,886 positions.

Mr. SMITH. What would those positions, had they been approved, been dedicated to?

Mr. SESSIONS. You want me to give them to you specifically, Mr. Chairman?

Mr. SMITH. Well, generally speaking. Then put in the record the details.

Mr. SESSIONS. I will provide those for the record as to precisely where these positions would have been. They are across a majority of all programs.

[The information follows:]

Resource Requests to the Office of Management and Budget and the Congress for 1991

The following information discusses the differences between the Federal Bureau of Investigation request to OMB and Congress.

For 1991, the final request to Congress for the **Federal Bureau of Investigation** (FBI) reflects a total reduction of 2,886 positions and $332,138,000 from the OMB request and includes a reduction of 856 positions (336 agents) and $173,875,000 to requested program enhancements.

The FBI's base level was reduced by $116,348,000 including the following: $15,000,000 for construction of the Engineering Research Facility (ERF) - Pod B; $10,000,000 for the relocation of the Washington Metropolitan Field Office; $14,160,000 for half of the 1991 pay raise; $20,941,000 for the 1990 sequester; 38 positions and $1,844,000 to meet the Administration's targeted budget deficit levels; and $321,000 in savings associated with the replacement of 23 agents in administrative positions at headquarters with non-agents. The FBI also did not receive funding for various mandatory increases, including GSA recurring services, building maintenance, and general pricing level adjustments.

Program Increases Denied: In order to fund a portion of the increased costs of AUO, all positions requested in 1991, except those for the Drugs program, are lapsed at 75 percent, rather than the typical 50 percent. New positions requested for the Drugs program are lapsed at 65 percent. OMB has agreed to provide full annualization of these positions in 1992. Due to the new lapse, personnel funding for program enhancements reflected in the request to Congress is less than that requested to OMB. This increased lapse rate is reflected in the program reductions identified below:

- Other Field Programs - Total increases of 244 positions (114 agents) and $32,890,000 were denied, including additional resources for the Bureau Applicant program and for establishing a legal attache in Madrid, Spain.

- Organized Crime program - Increases totaling 188 positions (89 agents) and $18,768,000 were denied, including the following: 100 positions to conduct additional Civil RICO investigations; 86 positions requested to support intensified efforts against Asian Organized Crime; $2,532,000 for confidential case expenditures; 2 positions to establish a legal attache in Bangkok, Thailand; $849,000 for aircraft operations; $696,000 for public source information subscription costs; and $1,600,000 to increase the number of offices supported by Special Operation Groups/Off-premise sites.

- Drugs program - Increases of $3,348,000 were denied. OMB supported the FBI's full request for this program. The difference between the FBI's request to OMB and the current request results from lapsing positions at 65 percent instead of 50 percent in order to absorb the increased costs of AUO.

- White-Collar Crime program - Increases denied total 165 positions (95 agents) and $20,536,000, including 102 positions for the investigation of environmental crimes, 55 positions for bankruptcy fraud, 8 accounting technician positions, and $214,000 for payments to cooperating witnesses.

- Training program - 2 positions and $3,916,000 were denied, including $1,307,000 to provide for 10mm pistol ammunition for increased firearms training and $450,000 for field firing-range construction.

- Forensic Services - Federal program - Enhancements of $4,507,000 were denied, in part, for the architectural design of a new FBI laboratory facility ($3,750,000) and to obtain explosives examination equipment ($254,000).

- Automated Data Processing and Telecommunications program - A total of 37 positions and $27,589,000 were denied. Requests not supported include: $14,000,000 for the procurement of intelligent workstations; $10,700,000 to replace headquarters equipment which has surpassed its life-cycle; and $1,600,000 for increased supply and maintenance requirements.

- Records Management program - Resources totaling 162 positions (38 agents) and $11,009,000 were denied, including the following: 30 document examiner positions for the Freedom of Information Privacy Act Section; 128 positions to conduct background investigations of contractors and 5-year reinvestigations of FBI employees with access to National Security Information; 4 document classification assistant positions; and $1,500,000 for optical disk storage hardware for automation.

- Technical Field Support and Equipment program - This program was denied 41 positions and $30,401,000. Included in this reduction were the following: $17,012,000 to construct ERF - Pod B; 32 field electronics technician positions; 9 support positions; and $11,208,000 for the replacement/expansion of the technical equipment inventory.

- Fingerprint Identification program - The FBI's request of $3,346,000 was denied. This funding was requested to purchase additional Automated Fingerprint readers and cameras for the Automated Identification System.

- Criminal Justice Data and statistical Services program Funding of $17,000,000 for the first-year costs of the National Crime Information Center 2000 project was cut.

- Executive Direction and Control program - All position increases were supported, but lapsing positions at 75 percent resulted in a reduction of $92,000.

- Administrative Services program - The request for 17 positions and $473,000 was denied. These resources were requested for contract, procurement, property management, and accounting areas to support increasing FBI field activities.

Program Decreases: In addition to the program enhancements denied, the FBI's 1991 budget includes decreases totaling 740 positions (including 252 agents) and $41,915,000. Program decreases are detailed below:

- Program decreases totaling 514 positions (including 227 agents) and $27,322,000 have been proposed in order to meet targeted budget deficit levels established by the Administration. These decreases are presented in the following table:

(Dollars in Thousands)

Program	Pos.	Amount
Other Field Programs	-235	-$12,528
Organized Crime	-47	-2,232
White-Collar Crime	-65	-3,255
Training	-11	-529
Forensic Services-Federal	-10	-489
ADP and Telecommunications	-26	-2,888
Records Management	-24	-796
Tech. Field Support and Equip.	-4	-1,295
General Law Enforcement Training	-8	-397
Forensic Services-Non-Federal	-4	-193
Fingerprint Identification	-43	-1,277
Criminal Justice Data and Statistics Services	-6	-195
Executive Direction and Control	-12	-575
Administrative Services	-19	-673
TOTAL	-514	-27,322

- A program decrease of 80 positions (including 25 agents) and $13,724,000 is also included to partially offset the $41,979,000 costs of increased AUO payments. This includes the following program reductions: travel ($1,000,000); confidential case funding in Other Field Programs ($1,000,000); conducting background investigations for the U.S. Attorneys as a reimbursable program as is the practice with other Federal agencies (80 positions (including 25 agents) and $2,655,000); and equipment funding ($9,069,000) including $1,064,000 for replacement vehicles,

$2,716,000 for ADP equipment, $3,630,000 for field investigative equipment, and $1,659,000 for field office furniture and related equipment. Reductions by program are as follows:

Program	(Dollars in Thousands) Pos.	Amount
Other Field Programs	-80	-$6,521
ADP and Telecommunications	...	-2,716
Tech. Field Support and Equip.	...	-4,487
TOTAL	-80	-13,724

- The final program reduction is a decrease of 146 positions and $869,000 for A-76 management and productivity initiatives. The decrease is reflected in the Records Management (73 positions and $438,000) and the Fingerprint Identification (73 positions and $431,000) programs.

NEW YORK COST-OF-LIVING ALLOWANCE

Mr. SMITH. What is the status of the New York pay experiment?

Mr. SESSIONS. The background, with which you are familiar, arose at the time I became Director in 1987, the FBI was having continual difficulty meeting special agent target staffing levels in the New York field office.

We found many agents required to move to the New York Metropolitan area resigning rather than going. We were also losing an inordinately high number of special agents who were aleady assigned there.

Additionally, in the support area we were not able to hire or retain an adequate number of employees. In the Intelligence Authorization Act of 1988, the New York Demonstration Project came into place. That amounted to an immediate payment of $20,000 to agents who were required to move into the New York Metropolitian Area.

Mr. SMITH. What has been the result other than every other city in the country wants the same thing?

Mr. SESSIONS. It is interesting. At the time that we actually did it, the cost-of-living in the New York Metropolitan area was 135 percent of the national average.

Boston and Newark, San Francisco, and Los Angeles were right behind New York at 125 percent. There were others, including Washington, which was down to the 115 percent level.

So, it was difficult for the rest. But, my view was that it was absolutely essential to stop what I called the flow of blood up in the New York Metropolitan area. That is precisely what has happened.

The figures are, I think, impressive in terms of the numbers of people who are now on-board covered by that project. As of October of last year, all of them were covered.

It has had a tremendous impact on stopping the number of resignations. Now we are actually able to hire. We were not able to do that before.

Mr. SMITH. We were told by the authorizing committee that they are going to work on a solution to this problem based essentially on the blue collar worker legislation that provides some adjustments under certain circumstances. Are you involved in that?

Mr. SESSIONS. Yes. I, along with the Attorney General, and Jack Lawn of the Drug Enforcement Adminstration sat on the National Advisory Commission on Law Enforcement.

That Commission will be coming forward with its proposed report which will have some 16 recommendations, all of which I think, are important to law enforcement and to the FBI specifically.

It also will make the recommendation that appropriate funding be given. Like the FBI, many of the agencies simply cannot absorb the costs associated with a cost-of-living allowance (COLA).

The AUO bill and the COLAS and those things which you have seen we have absorbed over the years. These cannot continue.

Mr. SMITH. When will that report be completed.

Mr. SESSIONS. It is my understanding that Chairman Bowsher will have it published later in the month, and it will be on the Hill.

I will be glad to give you a specific date, but that is my understanding.

Mr. SMITH. I see. Have you been working with the authorizing committees here on the Hill then or is this the report?

Mr. SESSIONS. I have not personally been working with the authorizing Committees on the Hill. It is, I think, important for you to know that my own perception is that it would be in the best interest of the FBI to be removed from Title V and from those pay and classification schedules, in order to address the unique and continuing problems we have around the country.

We have 56 field offices and 400 resident agencies. It is a problem to make those adjustments.

I believe that funding is imperative in connection with those pay raises. Mr. Chairman the horror stories, I am sure you have heard.

MANDATORY RETIREMENT FOR SPECIAL AGENTS

Mr. SMITH. A key issue in your having adequately trained personnel is the mandatory retirement at age 55. Is there any consideration to changing that?

Mr. SESSIONS. The Commission is advancing the recommendation that it be raised to 57, but without affecting the eligibility age of 50. My belief was that this would be extremely significant to the FBI.

There are many people, I am convinced, who because of the challenge that is available to them at that age bracket, at the peak of their careers, would prefer not to leave but find it a necessity to find some other place to go in order to support their families and have a continuing income.

Mr. SMITH. When did that 55 mandatory cap go into effect?

Mr. SESSIONS. I don't remember precisely, but it was about 10 years ago. January of 1978 is the word from the gallery.

Mr. SMITH. It really flies in the face of what has happened in this country. In 30 years time we have extended life in this country by 10 years.

Mr. SESSIONS. Yes.

Mr. SMITH. Everything is going the other direction.

Mr. SESSIONS. I am convinced that we in the FBI can gain a great deal from the age 57 cutoff. Also a procedure to extend the time that an agent can serve is needed. The current procedure is a cumbersome and awkward process which requires intervention from the Attorney General.

Mr. SMITH. How easy is it to extend for somebody wanting to go to work to age 60, for example?

Mr. SESSIONS. You can, on a 6-month basis, make a request to the Attorney General. I have asked him to give me the authority directly and to do it for a particular percentage of my people. This would allow me the luxury of being able to extend the mandatory retirement age for a percentage of my agents.

The retirement cutoff age of 57, if it is passed, will help a great deal.

Mr. SMITH. You can do that by regulation?

Mr. SESSIONS. It would take a change in law. I can do it by regulation if the Attorney General delegates the authority.

Mr. **Smith**. Do you expect his opinion on that soon?

Mr. **Sessions**. I have not asked him yet, but I shall.

Mr. **Smith**. Mr. Rogers?

FY 1991 REQUEST TO CONGRESS

Mr. **Rogers**. Let me congratulate you and all your associates for your continued good work in the FBI.

There has been a big drug seizure that you partially alluded to in your opening statement, not to mention the white collar crime successes and examples of your achievements over this past year.

We appreciate the good work.

Now, your budget request is one of the most confusing that I have seen. I am sure it is one of the most confusing you have seen, through no fault of yours. But, you are requesting a net increase of $141 million and 507 positions.

Mr. **Sessions**. That is correct.

Mr. **Rogers**. Of that $141 million increase, the way I read the figures, $101 million of that is just to keep up with last year?

Mr. **Sessions**. Correct. Those are the costs that take us from where we were after sequestration on our 1990 base which was $1,499,000,000 and $101,000,000 of that will bring us up to $1.64 billion .

The requested increase would take us up to $1.64 billion. You are absolutely correct.

Mr. **Rogers**. In toto, your net increase over last year's program is, what, $39 million?

Mr. **Sessions**. That is correct.

Mr. **Rogers**. How many positions does that translate to?

Mr. **Sessions**. It nets out to 545 positions of which 249 are special agent and 296 are support.

Mr. **Rogers**. That is new personnel, net new?

Mr. **Sessions**. That is correct.

Mr. **Rogers**. Now, to put your request to OMB in perspective to that number, what was your request in those terms, net increases?

Mr. **Sessions**. Our net increases have taken us to 24,529 positions, which is over our approximately 21,643 positions we are currently requesting.

It would be approximately 2,900 more.

Mr. **Rogers**. Net new?

Mr. **Sessions**. Net new.

Mr. **Brixey**. The request to OMB was 241 positions. You are contrasting basically 545 net. About a 1600 position difference.

Mr. **Rogers**. What was the dollar figure of your request, net new dollars, to OMB?

Mr. **Brixey**. $255 million.

Mr. **Rogers**. It is difficult to see through that because of the many puts and takes from your gross number—reductions to fund overtime pay, the A-76 reductions, the across-the-board program decreases, funding certain positions from reimbursements and the like.

It is fairly confusing to get to the bottom line. The bottom line bothers me some.

Can you do what you would like to do and we expect you to do with a reasonably small increase over last year's number?

Mr. SESSIONS. As I indicated to the Chairman, it is my belief that we can always use a great deal more people than we actually have. But as the Attorney General has noted and as we know, it is not possible to have all of the things done at one single time.

There are demands of the Department of Justice that must be met in the drug area and in the prisons area. These are consistent, continuing strong demands. I am satisfied that we will have, as I indicated, a balanced program.

We would like to have more. That is why we gave that figure of $1,972,375,000 to OMB, to tell them truthfully what we believe we need.

Mr. ROGERS. It is not much above a standstill budget, is it?

Mr. SESSIONS. It is a $39 million increase.

Mr. ROGERS. As a percentage of your total budget, that is a relatively small increase.

Mr. SESSIONS. About 2.5 percent.

A-76 REDUCTIONS

Mr. ROGERS. Let me ask you a couple of other things.

A-76 policy, and personnel levels. As it has in the last couple of years, OMB has required the FBI and other agencies, you have not been singled out, to cut certain amounts of positions and funds as a part of management savings.

Under their Circular A-76, agencies are required to perform studies on certain positions to determine whether functions can be performed by a private concern cheaper than by the government.

No one can argue with the philosophy behind that initiative.

How many positions are reduced in your budget due to A-76 management initiatives?

Mr. SESSIONS. In the 1991 budget, it is 146 positions. In 1990, it was 247.

In 1989, it was 393. Before that, 38.

It is a total of 824 positions through 1991.

Mr. ROGERS. Were those positions originally requested as part of your hiring plan and request to OMB?

Mr. SESSIONS. Yes.

Mr. ROGERS. How long does it normally take to do a study called for in the OMB A-76 Circular?

Mr. SESSIONS. We are in the process now of conducting six different studies. I have here somewhere the information on the specific ones, if you want that. Recent testimony before the Subcommittee on Human Resources revealed it is taking Federal agencies between 18 and 24 months to conduct an A-76 study.

The studies, I think, are indicative of our intention to try to comply with the spirit of A-76 and to make those changes where we can.

Mr. ROGERS. Well, is this a big burden? Doing the studies, is that a burdensome thing in time and manpower and expense?

Mr. SESSIONS. I looked at what it entails. It requires hiring a professional with six years of A-76 experience to manage the FBI's efforts.

There are six separate studies ongoing that involve nearly 800 employees. There are many functions that will go to competition with the private sector this fiscal year.

The six specific programs that we are looking at are: the facilities and grounds functions at the FBI Academy and FBI headquarters; the Quantico Library; the warehousing procedures; data center operations; and some aspects of fingerprint operations.

The problem has been the difference between OMB's and the FBI's perception of what we believe to be core governmental functions. It is the FBI's position that investigations and functions relating, to criminal investigations and counterintelligence functions are inherently governmental.

We are; therefore, extremely careful about going forward with privatization. We do have to find those areas and we presently have six ongoing studies.

Our ongoing efforts demonstrate that we are in compliance with Circular A-76.

Mr. ROGERS. You are having to make these cuts, you are having to cut positions before you could possibly complete the study?

Mr. SESSIONS. That is correct.

Mr. ROGERS. Studies that A-76 requires; right?

Mr. SESSIONS. That is correct.

Mr. ROGERS. You are getting cut before the fact? You are getting convicted before you are tried, aren't you?

Mr. SESSIONS. In defense of the requirement, we have known for some time about A-76. We have tried to comply with the spirit of this executive initiative.

We know that the FBI is mandated 2,008 workyears between the year 1987 and 1995. We have developed an inventory ourselves which includes 1,528 positions that we want to study. Those studies are ongoing.

We are trying as best we can to find those positions that can yield to the A-76 directive without impairing the privacy concerns and the operational concerns that we have in both foreign counterintelligence and criminal investigations.

Mr. ROGERS. Last year this subcommittee attempted to try to ease this problem.

We wrote into the report of the appropriations bill that we passed instructions dealing with the problem. Did that have any impact?

Mr. SESSIONS. We did not retain those positions, those 247 positions. Are those the ones you are referring to, Congressman?

Mr. ROGERS. The A-76.

Mr. SESSIONS. Yes, we did not retain them.

Mr. ROGERS. Our language had no effect?

Mr. SESSIONS. I don't know how to answer that. We did not retain the positions.

Mr. ROGERS. I will say it for you. It had no effect.

Mr. SESSIONS. Mr. Brixey may be able to clarify or provide an explanation.

Mr. BRIXEY. Congress restored the 393 in the previous year, the 247 last year. In our pass back from OMB, they said the cuts would have to stay. We lost 640 positions this year.

Mr. ROGERS. Due to?

Mr. **Brixey**. OMB Circular A-76.

Mr. **Rogers**. I think we made it about as explicit as we could last year. We put instructions in the bill report.

Of course, that is not binding, but it is sometimes very instructive to OMB and others. Maybe there is another way we can do it this year to try to help out. That is a big, big loss in your manpower.

Mr. **Sessions**. Yes, it is.

Mr. **Rogers**. I mean it is not chicken feed; is it?

Mr. **Sessions**. No, it is not.

USER FEES

Mr. **Rogers**. Beginning with the fiscal year 1990 bill, the FBI was given the authority to collect fees for processing fingerprint ID's and name checks——

Mr. **Sessions**. That is correct.

Mr. **Rogers** [continuing]. For non-law enforcement Federal and State agencies and for private businesses. Prior to that, you had been providing that service free, as I understand, as it had been for state and local law enforcement agencies?

Mr. **Sessions**. That is right, the service is free of charge for law enforcement units.

Mr. **Rogers**. Your fiscal year 1990 appropriations then was reduced by $30 million in anticipation that you would collect that much in fees?

Mr. **Sessions**. That is correct.

Mr. **Rogers**. And that you would be made whole again after $30 million was cut away. How has that worked out?

Mr. **Sessions**. Well, it hasn't worked out precisely as planned because it was November, 1989 before the law was signed. Apparently, there was an inability on the part of agencies who would be required to pay those user fees to actually have budgeted and prepared for it.

We have seen a substantial reduction of funds. We will not reach the $30 million.

Mr. Brixey tells me the loss of funds is approximately $7.5 million. It may be larger.

Are those correct figures, Mr. Brixey?

Mr. **Brixey**. Because we didn't get started until the first of January identifying who we would be charging, there was a lot of controversy over who was law enforcement and who was not. From an operating standpoint we built into our operating plan a reduction of $7.5 million, which is just 25 percent, and the three months that we lost.

We have been collecting statistics since the first of January. It appears that our receipts are only running about half of what they have been running in prior years. This was expected because the organizations didn't have money to pay for the service.

Besides the $7.5 million, it appears that we might be short at least another $3 to $5 million. We may have to absorb another shortfall which could be anywhere from $10 to $12 million out of that base cut.

Mr. ROGERS. Well, since we reduced your appropriations in fiscal year 1990, did that $30 million remain out of your funding base for 1991?

Mr. BRIXEY. Yes.

Mr. ROGERS. You stand to lose up to $20 million, give or take?

Mr. BRIXEY. Yes.

FINANCIAL INSTITUTION REFORM RECOVERY AND ENFORCEMENT ACT

Mr. ROGERS. One last area before I yield to my colleagues, under the major financial institution recovery legislation enacted last year, you were authorized an additional 236 agents in fiscal year 1990 for fraud investigation.

But without the supplemental, only 153 agents, as I understand it, will be hired, and at lower starting grades than is really desired. Now, the fiscal year 1991 request contains within that $12 million increase from white-collar crime about $5.6 million and 212 positions related to bank investigations and another 38 accounting positions.

How is that money being used?

Mr. SESSIONS. It would be used directly for the savings and loan and the financial fraud investigations. Of course, those people will be allocated and have been allocated in conjunction with the placement of the Assistant United States Attorneys in the various offices around the country to be sure that there is a coordinated capability between the investigative agency and the prosecutive agency.

Mr. ROGERS. My understanding is some of those new position hires are not at a grade and experience levels as high as perhaps you planned for?

Mr. SESSIONS. That is correct. We have tried to move to those areas where the need was greatest, where the experience level of agent would fill that need, but it is, as you know, not easy.

During the process of legislation being adopted to actually get that done, we were moving vigorously to address that need. Mr. Brixey may have other observations on the subject.

Mr. BRIXEY. To start with, the savings and loan bill was in two parts. It was initially a supplemental request that was approximately $23 million. It was to fund the initial hiring of people and transferring them to offices mostly in Arizona, Texas, New Mexico, and California. That supplemental was not passed.

There was an amendment for $25 million which was to fund the people on a full-year basis but this legislation assumed that the transfers had already taken place, that the initial cars and radios for them had been purchased the previous year. Since we didn't get the initial $23 million, we were not able to buy much of that initial equipment.

It only left enough money to bring people on board at a beginning level, which is a grade 10, although we normally fund them at a grade 13. That would allow us sufficient funds to promote them.

We only had enough money to pay for their initial salaries and not enough money to provide the equipment we normally would. Overall, we came out about $25 million short.

In the current year's budget, we do have 42 agent positions for bank fraud and embezzlement which will be specifically for the savings and loan initiative, and in total 249 agent positions which will be on the periphery. There is a substantial increase in the current year's budget.

It won't cover what we lost in the Savings and loan bill, but that is history.

Mr. Rogers. Well, then will that be a priority for increases?

Mr. Sessions. Yes, it is a top priority.

Mr. Rogers. I have other questions, but I will yield to my colleagues.

Mr. Smith. Mr. Alexander?

Mr. Alexander. Thank you, Mr. Chairman.

Mr. Director, good morning to both of you. Sorry I am a little bit late. I had another fish to fry.

I missed your presentation. I will read it while the other Members are asking questions.

FUNDING ABSORPTIONS

I am curious about the chart that you have presented which indicates the absorption that you had to experience. I am one that believes that we should not cut back our law enforcement in any way.

Having had some experience in both of those areas, I know it is very difficult to do your work when you are encountering cuts in your budgets.

The first thing that comes to my mind is the computer center and the electronic systems increases that you have planned for the headquarters which you demonstrated for us two years ago. Has that been affected in any way?

Mr. Sessions. The absorptions have come traditionally out of equipment.

Mr. Alexander. I see.

Mr. Sessions. Yes, it has been affected directly by those absorptions that were necessary. What I tried to do, Mr. Alexander, is to find a balance between personnel and equipment, believing that we could not continue to take the kind of hits that the $42 million on AUO required us to take. There just had to be some personnel reductions.

But, yes, we are negatively affected by that.

Mr. Brixey. Specifically, in our reprogramming last year we had absorptions which took almost $55 million in equipment to cover the operating, like the pay raises. There was a $17.3 million reduction in our ADP budget which affected our ability to acquire intelligent workstations and those programs you saw, demonstrated in our building.

Mr. Alexander. You plan to prolong the planning stage of the electronic divisions?

Mr. Brixey. Yes, sir.

Mr. Alexander. Perhaps you would like to talk to us after the meeting about that matter so I can look into it in more detail?

Mr. Sessions. We would be pleased to.

Mr. Alexander. And see if I can help you.

Mr. SESSIONS. Thank you.

Mr. ALEXANDER. Thank you, Mr. Chairman.

I might reserve my time for additional questions after the other Members.

FBI SUPPORT FOR STATE AND LOCAL LAW ENFORCEMENT

Mr. SMITH. Mr. Regula.

Mr. REGULA. Thank you, Mr. Chairman.

Director, I am glad to see you.

Mr. SESSIONS. Thank you, sir.

Mr. REGULA. I would be interested on what your ability to provide local assistance is under this budget. Local law enforcement depends often times on expert assistance from the FBI.

I know that that is a big item with them. Do you have adequate resources to respond to the local law enforcement departments?

Mr. SESSIONS. Some of the principal ways we respond are through our capability at the FBI Academy at Quantico, Virginia.

Over the years we have had to cut back the number of applications we accept for local law enforcement programs.

Mr. REGULA. Does that include your training program?

Mr. SESSIONS. That includes the training program for law enforcement officers from around the country. The principal program is called the National Academy. This program brings managers from all over the country, in fact, from around the world for training.

We cut that program before I became Director from 1,200 to 800. We are now back up to 1,000. We are having trouble being able to accommodate that number.

The other areas where the problem manifests itself are specifically areas of the Violent Crime Apprehension program, violent crime profiling, and other programs offered at the Academy where we are able to bring in those people to participate in those particular programs.

LABORATORY SUPPORT FOR STATE AND LOCAL ENFORCEMENT

The other area with which you are familiar and which became very dramatic was in connection with the District of Columbia drug problems. We were able to give our laboratory support not only in terms of Deoxyribonucleic Acid, (DNA) testing, but also in terms of the identification of weapons, which entails very intricate procedures that are used investigatively to provide support in forensic examinations.

It is, to me, extremely important that the local law enforcement agencies have access to those services.

For instance, DNA capability is extremely important to them, being able to identify with 100 percent certainty what violent criminal was involved in a rape or murder is extremely productive for law enforcement.

Another part of that is that you are able to exclude specific people through the DNA examination who otherwise might be the prime suspect. That is extremely important.

It goes hand-in-hand with the identification procedures and with the National Crime Information Center. (NCIC)

All of those are networks which are designed to provide support. Of course, as you probably know, the NCIC 2000 enhancement is not in this budget.

NCIC 2000

NCIC 2000 will once again give strong support to the National Crime Information Center which is utilized by 68,000 different subscribers around this country who gain information almost instantaneously. I know it wasn't in your question, but I will tell you when I became Director, the number of inquiries made of the National Crime Information Center on a daily basis ran close to 250,000.

Earlier this year I was told we had had over 1.31 million in transactions in one 24-hour period. The enhancement to the National Crime Information Center under the NCIC program is very important.

In the identification area we are now experiencing a four to six week turn-around time for the State and locals to identify those fingerprints.

You may know that we are moving to try to restore our capabilities to deal with the state of the automation in the fingerprint area.

We do not have the automated latent capability which I have discussed with this Committee before. We do not have it now, but we are making every effort to include the automated latent capability which would enable us to be on a par with the technical capabilities that exist in various States around this country.

To me, it is extremely important to regain this initiative and be able to supply identification services to all the law enforcement agencies in this country, not just in particular areas.

Mr. **Regula**. It would seem to me that your ability to enhance the capabilities of the local law enforcement would be a vital element in a totality of criminal prosecution and law enforcement?

Mr. **Sessions**. I think you are absolutely correct. I met with the International Association of Chiefs of Police, and the National Sheriffs Association. All of those groups have strong interest in the FBI providing these services in support of their needs.

Traditionally, the FBI has done this. Our ability to continue to do this has to be enhanced to meet these technological requirements.

THE IMPACT OF USER FEES

Mr. **Regula**. Should we consider expansion of the user fee potential of FBI so that, like in your training programs at Quantico, you can break even and, therefore, add people.

You could do it on a no-cost basis?

Mr. **Sessions**. That was one of the first questions I encountered when I became Director. That is, where would we be if we utilized user fees in connection with the services provided at the National Academy, Quantico, Virginia.

Without exception, whether I am talking with people within the FBI or on the outside, the concept of the user fee did not find acceptance principally because of the things that State and local enforcement agencies do.

For instance, we are constantly inquiring to gain information from State and local enforcement records. Are we going to have to then pay them a user fee to do that?

We are constantly beset with the need to further our cooperation with the local police departments without the interference of another artificial net.

I would say that the user fee, in connection with local enforcement at the National Academy, is not applicable.

Mr. REGULA. How about on some of the other elements of your assistance? I am just thinking that somehow we need to get the service done.

If that is the only way, maybe we ought to give you more authority.

Mr. SESSIONS. Well, for instance, in the fingerprint area, they supply and will continue to supply the information that is the basis of our assistance.

Are they going to charge us a fee for gaining that information? It is not easy to deal with the user fee issue.

Where are we actually providing something that is not being returned? When we give out information for which we are now charging user fees, those people are not giving us anything in return.

Mr. REGULA. Your difficulty is trying to categorize those things which appropriately should be subject to user fees?

Mr. SESSIONS. Yes, that is part of it.

PROSECUTION OF BANKING OFFICIALS

Mr. REGULA. Last question. Taxpayers realize that the savings and loan crisis is costing a lot of money.

The concern on the part of the public is that the people that caused this are not being adequately punished, for lack of a better term. What is your involvement?

Is it extensive in trying to prosecute those that are responsible for a criminal type of white collar crime that brought on this problem that the taxpayer is going to have to pay for?

Mr. SESSIONS. I think you are absolutely correct. It is logical that, in a problem as massive as the $150 billion plus savings and loan crisis, there has to be criminality involved. The response of the FBI is to enhance our capabilities and to enhance our projects in Texas and on the West Coast where the principal part of this crisis has occurred, and to do it with great energy.

The investigative pursuits in the last two years, I think, have been very good. There have been over 100 convictions in those cases alone. When you think about that kind of a conviction record for major institutional employees, I think it is significant.

Mr. ALEXANDER. Do you know whether or not any of those persons convicted in the thrift fraud cases went to jail?

Mr. SESSIONS. I don't have the information at hand, but I would be delighted to supply it for you.

Mr. ALEXANDER. I get that question all the time at home. The perception is they didn't.

Mr. SESSIONS. Well, I know, the last one was Mr. King. As I recall, he was given a sentence that did involve a significant amount of incarceration. That answer may be here and available in the room.

[The information follows:]

Prosecution of Banking Officials

The "Texcon" investigation was initiated by our Dallas Field Office in 1984 to address fraud surrounding the failure of the Empire Savings and Loan Association. This investigation involved the issuance of hundreds of multimillion dollar loans from thrift institutions for the purpose of land acquisition and condominium construction in the Dallas metropolitan area. To date, 102 subjects have been convicted and 100 have been sentenced. Of the subjects sentenced, 54 were incarcerated and 46 received probation. The average period of incarceration is 3.84 years and the average probationary period is 3.39 years. It should be noted that the extraordinarily long sentence of 35 years given to H. Wailen York, a major contractor and condominium developer, is included in the average period of incarceration. The seven principle subjects of this investigation are awaiting trial.

The "Texcon" investigation has resulted in court-ordered restitution in the amount of $12,167,000 and the court has levied fines in the amount of $576,000.

In his testimony, the Director addressed the sentencing of Patrick King. Mr. King is a subject in the "Thriftcon" investigation also underway in Dallas, Texas. The "Thriftcon' investigation involves 38 separate thrift institution failures where conspiratorial fraud by owners or officers had been alleged. "Thriftcon" is being handled by the Dallas Bank Fraud Task Force which includes investigators from the FBI, the Internal Revenue Service, and the Office of Thrift Supervision as well as attorneys from the U.S. Attorneys Office for the Northern District of Texas, and the Criminal Division's Fraud Section. Mr. King, who held positions of President and Chairman of the Board of Vernon Savings and Loan Association, was convicted by a jury in September 1989. Mr. King was subsequently sentenced to five years incarceration, followed by five years of probation. Mr. King was further ordered to pay restitution of $65,771.

To date, 62 individuals have been formally charged in the "Thriftcon" investigation and 47 have been convicted. Of the 47 subjects convicted, 40 have been sentenced. Of the 40 sentenced, 31 received a sentence of incarceration and 9 received probation. The average period of incarceration in "Thriftcon" is 4.16 years and the average probationary period is 3.5 years.

The "Thriftcon" investigation has resulted in court ordered restitution in the amount of $10,151,705 and the court has levied fines totalling $563,850.

Mr. Sessions. Mr. Baker, do you have that information?

Mr. Baker. No.

Mr. Sessions. I will provide it for you. The Department of Justice would have that information as well.

Mr. Regula. Thank you, Mr. Chairman.

FBI EFFORTS IN TOXIC WASTE AREA

Mr. Smith. Mr. Dwyer.

Mr. Dwyer. Thank you, Mr. Chairman.

In your description of the white-collar crime, you mentioned your responsibility in the area of illegal disposal of toxic waste.

What are you devoting to this particular activity?

Mr. Sessions. I cannot tell you specifically, except to say that I do recall that there are over 400 cases that we have worked collectively with other agencies. We do not have the direct statutory authority but have a Memorandum of Understanding where we conduct those investigations.

I believe there are some 400 cases that we have worked on since we acquired these Memorandas of Understanding back six or seven years ago.

We have a great interest in it, and I would like to give you the specific figures for the record.

Mr. Dwyer. I would like to see that.

[The information follows:]

FBI EFFORTS IN TOXIC WASTE INVESTIGATIONS

The environmental crimes caseload increased 229 percent from 185 cases handled in 1985 to 608 cases in 1989. Informations/indicments and convictions achieved as a result of FBI investigations have experienced similar increases. In 1985, one information/indictment and two convictions were recorded; whereas, in 1989, 50 informations/indictments and 35 convictions were recorded.

The following chart displays the number of Agent workyears utilized for environmental crimes:

	Agent workyears	Percent of change
Fiscal year:		
1990 [1]	51.1	53
1989	33.4	26
1988	26.5	36
1987	19.5	38
1986	14.1	72
1985	8.2	

[1] 1990 figures are based on information through 1/13/90.

Environmental crimes are becoming a major issue and the Attorney General is placing more emphasis on investigations in this area.

FBI IMPACT ON THE WAR ON DRUGS

Mr. **Dwyer**. You mentioned that on your drug strategy. You are having an impact.

Mr. **Sessions**. I think so.

Mr. **Dwyer**. How do you measure the impact?

In other words, how do we arrive at that conclusion that we are having an impact?

Mr. **Sessions**. The way I look at it.

Mr. **Dwyer**. I know there are no signs available.

Mr. **Sessions**. There are great signs available, Mr. Congressman. My belief is the understanding of the responsibility the FBI has in the national drug war. We have a segment of the line for which we are responsible. Our division in that sense is charged with that.

The National Drug Strategy is really very simple. It is to attack major drug organizations that deal in heroin and cocaine. That involves identifying them.

We have now some 450 drug cases that we have identified.

Of those, there are approximately 35 to 40 percent that we are presently investigating. By dealing with that the idea is to destroy the organization itself.

In my testimony, you saw the reference to "CAT-COM," and the reference to "White Mare." There are dozens of other investigations where major organizations were, in fact, destroyed.

To me, that is carrying out our part of the National Drug Strategy in a very vigorous and effective way.

Playing on that, I would like if I might, to simply supply you with that information for the record. It is a significant contribution to the national drug strategy and the National Drug War.

Mr. **Dwyer**. That will be fine.

I would like to have you supply it for the record.

[The information follows:]

FBI IMPACT ON THE "WAR ON DRUGS"

The FBI's National Drug Strategy (NDS) approach of targeting trafficking organizations is unique in the Federal drug law enforcement community. We have used our ever-increasing intelligence bases to identify more than 50 major Colombian, Mexican, Asian and Italian drug trafficking organizations operating in the United States. Our primary intelligence-gathering methodology, referred to as Racketeering Enterprise Investigations, has been wholly adopted in format and substance by the CIA as a guide in seizing drug-related intelligence from abroad. To manage drug intelligence, the FBI has developed the most modern computerized technology that is in the process of being implemented as our new Drug Information System (DIS). The Office of National Drug Control Policy, recognizing the value of this state-of-the-art technology, indicated in the January 1990 National Drug Control Strategy, that DIS serve as a primary support for the proposed National Drug Intelligence Center. These sophisticated innovations are absolutely essential in carrying the war to the drug trafficking organizations.

Since the FBI institued its NDS in 1986, Bureau investigations have resulted in nearly 11,000 felony convictions and approximately 1,600 indictments are pending prosecution. In 1989 alone, we seized for eventual forfeiture $125.5 million and we project significant yearly increases in seizures. Most significantly, since the NDS began, we have dismantled over 150 major internationally-rooted drug trafficking organizations operating in the U.S., an accomplishment whose value exceeds the traditional measures of counting individual indictments and convictions.

Our three-year investigations called "Cashweb/Expressway" led to conviction of 98 persons, the seizure of over 24,000 pounds of cocaine and marijuana and currency amounting to $14.7 million. This case dismantled three major South American money laundering operations and a similar number of trafficking organizations they served. "Cat-Com" employed communication tracking devices, combined with a lengthy undercover operations and six months of electronics surveillance coverage, to result in the penetration and destruction of major Colombian drug importation networks. In this case, 92 persons were indicted and $5 million in assets and cash were seized. "Forceout," a Mexican drug trafficking case instituted in one of our Northwestern field divisions, led to the arrest of 21 major drug traffickers and the seizure so far of nearly $2 million in cash and assets. Agents in our "White Mare" investigation seized 820 pounds of Southeast Asian heroin in New York, the largest heroin seizure in U.S. history. The 17-month investigation, involving 23 electronic surveillances, led to that seizure and the arrest of 44 conspirators who comprised six drug groups both here and abroad. Approximately $4.5 million in cash was taken in the process.

DRUG SEIZURES

Mr. DWYER. Have these efforts resulted in less drugs being available in the marketplace?

Mr. SESSIONS. I would have to say no. When we seized 820 pounds in New York followed by some 80 pounds in connection with "White Mare," it is my understanding there was no perceptible influence on the availability of the heroin, nor the price of heroin charged.

Mr. DWYER. Basically, while we have an impact, when we break up those operations, we don't have an effect on the amount of supply?

Mr. SESSIONS. I think we do have an effect in the long term. In connection with "White Mare," there were five Asian groups. There were five of them and they were dismantled. There are going to be other groups that replace them.

Obviously, it is a very active business. I believe our responsibility of attacking those organizations makes a significantly strong contribution.

Mr. DWYER. I think you exercised your responsibility in a vigorous manner. I wonder what the ultimate impact is in the marketplace.

From what I read in the paper, there is no decrease in availability of narcotics.

Mr. SESSIONS. I remember a seven-day period back last spring when 20 metric tons of cocaine were seized in Los Angeles followed by nine metric tons seized in South Texas, and five metric tons being seized over in Louisiana. Those were Drug Enforcement Administration and local cases.

No one was able, and Mr. Lawn will be testifying about it later, to identify that this had an impact on either market price or availability. There are great quantities of drugs here, no question about it.

AVAILABILITY OF CRYSTAL METHAMPHETAMINE (ICE)

Mr. DWYER. How about the drugs that are not imported? I think last year you talked about "ice," or the year before your predecessor mentioned the word ice, which apparently is a drug that can be manufactured in someone's garage.

Mr. SESSIONS. It is a crystal methamphetamine.

Mr. DWYER. Is that on the increase?

Mr. SESSIONS. Yes. Mr. Lawn can tell you specifically what it is.

It is my understanding that in both Korea and Hawaii, the movement of ice into the system is significant. I do not know the nature of that quantity.

Our responsibility is to deal with the heroin and the cocaine, and in some exceptional cases, mass amounts of marijuana.

INFLUENCE OF ASIAN GANGS ON DRUG TRAFFICKING

Mr. DWYER. You mentioned the Asiatic gangs.

Mr. SESSIONS. Yes.

Mr. DWYER. Is there criminal intent limited to the Asiatic community or has it gone outside the bounds of the Asiatic community?

Mr. SESSIONS. I can't define that for you. I will attempt to do that.

It seems to me what happened in "White Mare" and in New York was that the effective destruction of La Cosa Nostra enabled the Asian gangs to move in. That is my understanding.

I think probably it is not limited to Asian usage. It is filling that void in the market left by the destruction of the La Cosa Nostra.

Just like the crack-cocaine market, they will muscle in wherever they can and cover whatever part of it they can.

[The information follows:]

THE INFLUENCE OF ASIAN GANGS ON DRUG TRAFFICKING

In December 1987, the Organized Crime Section of the FBI, completed a survey on Asian Organized Crime (AOC) in the United States which revealed that the overwhelming majority of AOC was confined within Asian communities.

Research recently undertaken to update that survey, although not yet completed, indicates that the threat posed to the United States by AOC groups and enterprises is no longer localized. Asian criminal activity is no longer confined to pockets in the Pacific territories, and along the West Coast. AOC is all-pervasive; its influence spans international borders.

It is important to note that AOC comprises many organized criminal ethnic groups, including Chinese, Japanese, Korean, Vietnamese and other Asian gangs, each evolving at their own pace (depending upon a myriad of cultural and demographic variables. However, one statement that can be made with utter certitude is that like the La Cosa Nostra (LCN) in its embryonic stage, virtually all AOC groups initially prey upon their own ethnic communities where they are linguistically and culturally comfortable. Some, like the Korean and Vietnamese criminal gangs, continue to be primarily parasitic within their cloistered communities. Others like the Japanese Boryokudan and Chinese Triads are involved in money laundering and its antecedent, drug trafficking and, coupled with the accelerated societies from which they were spawned, have been catapulted beyond the boundaries of their ethnic communities onto the international scene. As such, the nature of these criminal enterprises requires the acquisition of facilities (public corruption) and the disposition of ill-gotten gains (money laundering).

To facilitate these matters, AOC groups are interacting not only with each other but with Columbian drug cartels and the LCN.

The LCN has, for half a century, woven itself into the fabric of society. Association with the LCN will only serve to accelerate the assimilation of AOC groups into the existing criminal infrastructure of the U.S.

The scope of AOC is virtually limitless without the immediate and sustained efforts of the law enforcement community. For this reason, the FBI has designated the LCN as the primary target in the Organized Crime National Strategy (OCNS), and has determined AOC groups to be a priority sub-program within the OCNS.

Additionally, available immigration statistics reveal that between 1970 and 1988 Asian immigrants to the United States were two and one half times that of all immigrants from European and African countries combined for the same time span. This influx logically includes AOC members and expands the U.S. market of potential victims by AOC groups.

FELON IDENTIFICATION SYSTEM

Mr. DWYER. There has been a lot of discussion on the cuts and the impact on this budget. Back in 1988, the Congress enacted the McCollum amendment which provided for a system of felon identification, using a telephone check at the point of the sale. What is the status of that?

Mr. SESSIONS. The utilization of identification capabilities is being coordinated with the Department of Justice to be sure that we are able to meet their needs. I don't remember the specific figures.

If you can give them to me, Jay, I will discuss them. But the ability to be able to have an on-line identification capability that is secure is the principal problem.

Where you have multiple access not through Governmental agencies but through other entities, which would be places where guns are sold, it is a problem. But, we are continuing in our effort with the Department of Justice to quantify that and to be able to react to it.

Part of that is, of course, premised upon our ability to access our records in an automated fashion, to be able to respond promptly to the request for identification from the seller of the weapon.

Mr. DWYER. When would you anticipate we might have some system in place?

Mr. SESSIONS. I simply can't give that to you, but I will respond to you for the record.

[The information follows:]

Felon Identification System

Section 6213 of the Anti-Drug Abuse Act of 1988 mandated that the Attorney General report to Congress by November 18, 1989, on a system for immediate and accurate identification of felons who attempt to purchase firearms. By letter to Congress, dated November 20, 1989, the Attorney General proposed implementation of Option A2 of a study which provides for the use of a touch-tone telephone by licensed firearms dealers to contact a criminal justice agency for access to criminal records information currently on file with the States or Federal Government.

In order to make such a system feasible, the Attorney General directed the FBI to: 1) establish a complete and automated data base of felons who are prohibited from purchasing firearms; 2) develop, in conjunction with the Bureau of Justice Statistics (BJS), voluntary reporting standards for State and local law enforcement; 3) enhance its criminal history records system in order to merge the computerized index for an additional 8.8 million manual records into the FBI's Automated Identification System; and 4) continue to monitor impressive advances being made in biometric identification technology.

Establishment of a data base of felons who are prohibited from purchasing firearms is interpreted by the FBI's Identification Division (ID) as segregation of the records of "disqualified felons" from others maintained in the criminal file. This could be accomplished by establishing a separate data base for use by firearms dealers, or by identifying the disqualified felons in the established data base by placing a felony conviction flag in the automated name index. Although either alternative would have the same results, the placing of felony conviction flags appears to be more efficient and less costly.

The task of accurately identifying convicted felons is extremely difficult. There is no known method for programmatically identifying the disqualified felons in the FBI's existing data base. Therefore, a coordinated effort is being undertaken by the FBI in conjunction with State representatives as to how to identify convicted felons. Specific methodology and details of achieving this objective still have to be worked out with the States and other affected parties.

In order for criminal history records to be complete, they must contain up-to-date arrest and disposition information. As of March 15, 1990, the ID had a fingerprint card backlog of approximately 600,000. Daily receipts of fingerprint cards have been averaging more than 32,000 per day, which has resulted in a growth of the backlog by about 2,000 per day. Current monthly receipts of arrest dispositions are averaging about 165,000 or about 8,000 per day. In addition, as of March 15, 1990, there were almost 2 million dispositions backlogged. Under the best of conditions, it would take the ID almost two years to eliminate this backlog.

Beginning in December 1989, representatives of BJS and the FBI ID have been meeting to develop plans for drafting voluntary reporting standards. The National Crime Information Center (NCIC) Advisory Policy Board (APB) was also apprised of this mandate. In February 1990, representatives of the FBI ID and BJS met with the Identification Services Subcommittee (ISS) of the NCIC APB to informally discuss this mandate regarding voluntary reporting standards. The ISS is an integral part of these discussions since the Director of the FBI, in June 1989, requested the NCIC APB to also serve in an advisory capacity for the FBI ID. Thereafter, the NCIC APB created the ISS to focus on issues related to the ID. During the February meeting, the ISS identified topics that it believed the FBI and BJS should consider for inclusion in the draft voluntary reporting standards.

The first draft of the voluntary reporting standards developed by representatives of the FBI ID and BJS has been completed. This draft is currently being reviewed internally. As a part of the internal review process, copies were made available through the ISS to the four APB Regional Working Groups (RWG) for informal comment. In addition, some SEARCH Group, Inc. members are being given an opportunity to provide comments.

The FBI asked the RWGs to provide their comments no later than one week after the conclusion of their Spring meetings. Based upon their meeting schedule, comments are expected no later than April 18, 1990, and the SEARCH Group, Inc. comments by April 6, 1990. As soon as these comments are received, the draft will be finalized and forwarded to the Department of Justice for any necessary review and approval prior to making the draft available for public comment.

Technically, making the FBI ID's 8.8 million manual records available for on-line name checks may not impose a computer processing problem. However, the anticipated volume of subsequent requests for manual records following the return of positive responses from the automated name index check, would exceed the ID's current ability to respond. However, to fully automate the 8.8 million criminal history records would be an enormous task. Therefore, the ID has prepared a statement of work requesting a feasibility study of the various options.

Many of the options detailed in the Task Force report require the collection of biometric data in the form of fingerprints at some stage in the approval process. The technologies associated with fingerprints are advancing at a very rapid pace. The FBI is following the recent developments in telecommunications, image processing, and mass storage technology that now make it reasonable to consider the development of systems to electronically capture and transmit information currently contained on fingerprint cards. The "live-scan" fingerprint capture technology is evolving rapidly, and the major Automated Fingerprint Identification System vendors are in the process of incorporating direct impact from live-scan readers into their systems.

The FBI is not only monitoring these advances, but working towards developing a system which will accept fingerprint identification data directly from users in electronics form. The FBI is also monitoring other biometric technologies, such as retinal scans and DNA which could be introduced into a felon identification system.

If legislation is enacted mandating Option A2 as recommended by the Attorney General, there will have to be further definition of the intended methodology before the development of a system which includes direct access of FBI/ID records utilizing telephonic touch-tone dial-up access. Operational security, and cost issues must be addressed by the FBI and at the State level, and systems planning must be done with the NCIC APB and the APB's Subcommittee for ID Services. Operational procedures and requirements will have to be worked out with the States, be mutually understood and agreed upon prior to implementation of Option A2.

FBI FIREARMS

Mr. Dwyer. One last question.

I read in the paper that the Bureau of Alcohol, Tobacco and Firearms is having difficulty with assault weapons out in the street. What is the FBI experience in that area?

Mr. Sessions. It is not unlike the experience of other law enforcement agencies where we are confronted with superior fire power and superior weapons capability in the streets.

You may recall that in 1986, the FBI had a tragic circumstance down in Miami, Florida, where two of our agents were actually killed and five of them were badly wounded. In that exchange, the investigation and the autopsies proved that the fatal wounds on the attackers were inflicted before the fatal wounds were inflicted on our own agents. So, fire power is extremely important.

I think you may know that I have moved directly to acquire for the FBI the 10 millimeter which will deliver in the pistol more rounds of ammunition with greater impact and higher accuracy.

In another respect I believe that it is a responsibility of the Congress to be able to respond to the need as they perceive it.

I have not entered the discussions concerning the fire arms area, except for my noting that we do suffer like law enforcement agencies suffer.

Mr. Dwyer. Probably in some type of arms race? They get better weapons, we have to get better weapons, and you go on like that.

Mr. Sessions. The FBI believes in applying a deadly force in those circumstances where it is necessary. We lost an agent six weeks ago serving a routine search warrant. We went out there fully prepared with special team weapons and tactics capability. In the back room as the agent came out of the door, he was immediately killed and two other agents were wounded in that fracas. It is always a danger.

It is a terrible, terrible circumstance. We need to be well armed and capable of meeting what they have by way of firepower.

ASSET FORFEITURE AND SEIZURE

Mr. Smith. Mr. Kolbe?

Mr. Kolbe. Thank you, Mr. Chairman.

My questions are fairly quick and simple.

In looking at your estimate, you refer on page 7 to your seizure levels. You talk about $45 million.

Mr. Sessions. That is in white collar crime.

Mr. Kolbe. Is that white collar crime or is that the drug?

Mr. Sessions. Drug, that is drug.

Mr. Kolbe. I have a question about that figure.

When we think of the $100 billion plus drug business that is going on in this country, and that is generally what it has been estimated, $45 million is obviously not even a drop in the bucket, it is a drop in the ocean.

I am not saying this in a critical sense, but I guess in just a sense of frustration. I take that figure and divide it by the number of convictions that you refer to in the same paragraph.

It works out to $16,000, roughly less than $16,000 per conviction. Considering you concentrate on the big fish, are we really doing as much as we ought to be doing in this area?

Mr. **Sessions**. My belief is, and I have observed this over the years, that it is important where you can to have a statute that will allow seizures, and to be able to conduct not only the seizures, but the forfeitures. Forfeitures are the important part of that.

The $45 million is the forfeiture figure. Last year we seized about $145 or $150 million. In fact, that is in excess of what our budget was last year in that area.

It may be a drop, but it is comparable to the amount of money that we are actually spending on the program itself. But the forfeitures, that is the $45 million, is about a third to a fourth of the actual budget.

Mr. **Kolbe**. Maybe I am misunderstanding semantics. You seized a certain amount of assets. After there is a conviction there is a forfeiture. The $45 million is what you retain?

Mr. **Sessions**. That is what goes in the general fund.

Mr. **Kolbe**. That is what the Government retains?

Mr. **Sessions**. That is correct.

You may seize $100 million worth, but have to return $75 million worth.

Mr. **Kolbe**. I understand that.

Are we doing enough?

If $45 million is all we are really ending up with against 2,853 convictions, are we getting at all the assets that these people, those 2,853 convictions represent?

Mr. **Sessions**. Assets are difficult to trace when they are physical assets. You have to be able to prove the association with the criminal conduct.

Once that is done, you will be able to seize and forfeit as well. I remember DEA last year, and Mr. Lawn will be before you tomorrow, was able to seize in excess of its actual budget over $65 or $70 million last year.

It may be in excess of that, but I recall that figure. The point is the forfeitures are what count.

You have to be able to not only make the drug investigation, but to make the investigation concerning the property itself that can be identified as flowing from that.

Did you have some comment, Jay?

Mr. **Brixey**. I think your point is well taken. I would like to give some figures to indicate at least we are trying to get better.

In 1988, we seized about $110 million and forfeited $47 million. Last year we seized $470 million and forfeited about $74 million in total.

We are putting asset forfeiture teams in our field offices. We are hiring contract people to help us process them quickly. There is a lot of effort in the FBI to improve our performance in this area.

Mr. **Kolbe**. Now I really am confused. The Director's statement says in 1989, $125 million in assets were seized and $45 million were forfeited. You just said $400 million.

Mr. **Brixey**. You are talking one program.

Mr. **Kolbe**. What is the $400 million?

Mr. **Brixey**. Total FBI.

Mr. **Kolbe**. All programs?

Mr. **Brixey**. Yes.

ASSETS SEIZURES FROM DRUG TRAFFICKING

Mr. **Kolbe**. Now I am getting even more interested in this. You are telling me that the drug program is less than one third of what we are seizing?

Mr. **Sessions**. That is probably correct.

Mr. **Kolbe**. Where in the world is the rest of it?

Mr. **Sessions**. In the White-Collar Crime program, both the forfeitures and the fines and the restitutions are, as I indicated in my statement, almost seven to one over our budget.

Mr. **Kolbe**. I'm just astonished that those areas represent twice as much, almost three times as much as what we are getting in the area of drugs, which is where I would think the big money would be.

Mr. **Sessions**. I don't have a programmatic breakdown. I will be happy to give it to you.

[The information follows:]

FISCAL YEAR 1989

	Forfeitures	Seizures
Drugs	$45,197,921	$125,453,787
White-collar crime	24,382,375	328,445,202
Organized crime	1,794,633	9,303,828
General property crime	371,926	732,833
Fugitives	360,946	785,095
Personal crime	142,832	431,902
General government crime	3,565	66,111
Miscellaneous	1,242,999	4,145,533
Total	73,497,197	469,364,291

Mr. **Smith**. Would the gentleman yield?

Mr. **Kolbe**. Yes.

Mr. **Smith**. I think maybe you might want to recognize that a forfeiture does not occur in the particular year it is seized.

Mr. **Kolbe**. I understand that.

Mr. **Smith**. Those figures are a little bit misleading when you use one year for the number of dollars forfeited and the number of dollars seized.

Mr. **Kolbe**. The Chairman's point is well taken. I recognize that. All I have are the figures in front of me. I recognize the convictions last year can't necessarily be tied directly to the forfeitures because of the time lag that is involved there.

Just as the general rule, comparison is what I was trying to get at.

Mr. **Sessions**. You may have discussed that with the Attorney General and know the Department of Justice has pursued with great vigor the enhancement of their forfeiture capability to be able to process judicial and non-judicial forfeitures. They are pursuing that very diligently.

COMPARISON ON FBI AND DEA FORFEITURES

Mr. Kolbe. I guess I am still wondering if DEA has results, I think you said $500 million in forfeitures?

Mr. Sessions. $557 million in seizures last year.

Mr. Kolbe. Your total was $400 million overall?

Mr. Sessions. Yes, and about $145 million was related to drugs.

Mr. Kolbe. Okay. Let me take the drug part of it because DEA is virtually all in drugs.

Why the difference there? I realize the DEA is focused entirely on drugs.

You have many other responsibilities, but you all are very much a front line in the drug war.

Mr. Sessions. I would think that the answer has to fall in the nature of the mission that is involved.

We are identifying the major drug trafficking organizations. That is all we do essentially beyond the coordination with DEA, the keeping of figures, the looking at trends and the supplying of intelligence.

We are investigating those major drug traffic organizations and, incidentally, may get seizures of drugs or seizures of assets during the course of these investigations.

I mentioned "White Mare." There were 820 pounds of heroin seized in the first seizure and 80 pounds seized thereafter.

We didn't expect to get any more than maybe 30 kilos, and there it was. This indicates the size and capability of the organization. The principal focus for us is to identify the organization and the assets as well. It takes a great deal of time and effort to identify and target assets and then be able to actually get them.

Mr. Kolbe. If I understand then, you are saying that it is the nature of the kind of cases that you go after?

You may not land the cases that have the most assets to be seized.

Mr. Sessions. It is seldom that we seize cash. It happens every once in a while. But DEA seizes a great deal of cash.

Mr. Kolbe. That is the nature of the kind of case—

Mr. Sessions. I think so. I think it is tied to the differences in the type of operations they sustain.

Mr. Kolbe. Perhaps for the record you might elaborate on that, perhaps give some of the programmatic breakdown?

Mr. Sessions. I will be glad to tell you specifically and factually what we have.

[The information follows:]

Asset Forfeiture and Seizure

The FBI's National Drug Strategy (NDS) was designed to focus our drug resources on those multinational Colombian, Mexican, Italian and Asian cocaine and heroin trafficking organizations that control a predominant share of the illegal United States drug market. Our investigative approach in drug investigations is based on our proven success in traditional organized crime investigations in which the organization is addressed as a single entity. The FBI's investigative approach permits penetration of the trafficking organization at its highest echelon, using undercover operations, electronic surveillance, extended physical surveillances, and many other sophisticated investigative techniques. Our NDS investigations are directed toward dismantling trafficking organizations, arresting and prosecuting their leaders, and seizing and forfeiting their ill-gotten assets. Because our approach addresses the totality of illegal enterprises, we also seek to seize evidence against supporting mechanisms of drug organizations, notably those operations engaging in the money laundering and against corrupt public officials who facilitate drug conspiracies.

The Drug Enforcement Administration's (DEA) mission, in contrast, channels that agency's resources to address multiple objectives. DEA supports foreign source country as well as domestic investigations. DEA supports a marijuana eradication program. They also investigate clandestine labs producing dangerous drugs. They conduct interdiction-related investigations of smugglers and importers and they participate in State and local task forces targeting street-level and local drug enforcement problems. DEA also has responsibility for licensing and regulatory functions in connection with licit drug production.

There are several reasons why DEA seizes more drug assets than the FBI. For one, the DEA has three times more drug agents than does the FBI. DEA's support complement far exceeds that of the FBI to help maximize seizures during the course of investigations. The FBI's 3,200 investigations are long-term and labor-intensive in nature, requiring sufficient time to support prosecution of top echelon conspirators. DEA, on the other hand, investigates on average about 28,000 cases against individual drug traffickers from whom drug-related assets can readily be seized.

In addition, pursuant to its interdiction mandate, DEA participates with other interdiction agencies in making drug smuggler arrests and seizing drugs along U.S. borders. Instrumentalities of drug crimes and drug-derived assets of drug smugglers are thereafter processed for eventual forfeiture. Although the FBI does not have an interdiction mandate, the Bureau routinely furnishes intelligence information to DEA, the U.S. Customs Service and the Coast Guard, primarily through the

El Paso Intelligence Center, that leads to major drug interdictions masked as "cold hits." Those drugs, arrests, and resultant assets seized (airplanes, ships, cars, trucks, motor homes and other conveyances) are claimed as statistical accomplishments by those agencies. In 1987 and 1988 alone, for example, the FBI furnished intelligence that led to seizures of nearly 318,000 kilograms of cocaine, heroin, marijuana and hashish. We have no information concerning associated arrests and asset seizures. None of those accomplishments is formally attributed to or claimed by the FBI. Nevertheless, in 1988 and 1989, the dollar values of FBI seizures exceeded our drug budget in those years.

FBI SALARIES

Mr. **Kolbe**. At the close of your statement you refer to the need for keeping salaries competitive so that we are able to attract the best people and give them tools necessary to do the job.

I well remember when I was in the state legislature that we used to complain we couldn't keep local law enforcement or state law enforcement people because the FBI and other federal law enforcement agencies paid so much better.

What is your view of where your agency stacks up with other law enforcement in terms of the salaries we are able to pay at the entry level today?

Mr. **Sessions**. Federal law enforcement generally and the FBI specifically have suffered a complete reversal. It is my understanding that when you look at comparable salaries for local law enforcement, that you need to find a city with a population about 10,000 before you actually find an entry level salary lower than what Federal law enforcement is paying.

The FBI, specifically, for example, in California, is 81 out of 86 in terms of its starting salary for its special agents. That means that 80 local law enforcement agencies pay better starting slaries than the FBI does.

This is not typical. The problem is exacerbated in California, but it is extremely difficult.

You take the major metropolitan areas, and there are 12 or 13 of them that we deal with in the FBI. It is with the rare exception when the starting salary is lower for a police officer with a high school education compared with the starting salary for an FBI Special Agent who has a college degree and three years of experience, or short fall is dramatic. It means that people have to want to come to the FBI.

My own personal experience is that every time I meet with a new class privately, I ask them, "Just give me an indication about how many of you took a salary cut to come to the FBI." About 75 to 80 percent of their hands are raised.

Mr. **Kolbe**. Why do they do it?

Mr. **Sessions**. Well, they want to be FBI Special Agents. They believe in the agency and they believe what it stands for, and they are extremely patriotic people.

They are driven by what they believe the image of the FBI is and what they want to do with their lives. That is quality living. I agree with it, but it is tough.

Mr. **Kolbe**. I do, too.

I appreciate that. Obviously, that doesn't put food on the table for them.

But you really believe that is the primary reason that is bringing them to the agency, not some other benefits that you might not be putting your finger on?

I just don't know. I am just asking.

Mr. **Sessions**. I have never sat down with them and told, had them tell me that there are other benefits. I know that generally speaking, in comparison to local law enforcement employment, their insurance benefits are better, their age of retirement benefits are generally better. Their side packages are much better. Their overtime, of course, is stunningly better in almost every circumstance.

Mr. KOLBE. I don't want to overburden your staff——

Mr. SESSIONS. You are not overburdening me. I am interested.

Mr. KOLBE [continuing]. With requests for work. If you could perhaps give me or give the Committee just a little data by taking a few random samples, just a handful of State and local agencies starting salary levels against yours, I would like to make comparisons.

[The information follows:]

Comparison of FBI Agent Salaries to those of State and Local Government Employees and Private Agency Employees

According to some reports, there is about a 25 percent disparity between the pay of Federal employees and those workers performing the same or similar functions in State and local governments or private industry. The FBI is responsible for investigating over 250 violations of law and finds the cases on which we work to be extremely complex, often requiring years of effort. We, therefore, seek to employ as agents individuals who, at the minimum, have a college degree and work experience; however, we also need specialists like attorneys, accountants, and linguists. Our requirements are high. Currently, new agents earn $27,206 in base salary ($34,008 when the $6,802 that agents can earn if administratively uncontrollable overtime is included). Set forth below is a list of various police departments (PDs) around the country, the salary of new police officers and detectives (excluding overtime) for 1989, and the educational requirements for the job:

State	Agency/Position	Starting Salary	Education Requirements
Alabama	Hoover PD/Officer	$23,095	High School Diploma
	Hoover PD/Detective	$25,463	High School Diploma
Arizona	Chandler PD/Officer	$25,540	High School Diploma
	Chandler PD/Detective	$32,000	High School Diploma
California	Los Angeles PD/ Officer	$32,050 $37,709	High School Diploma (higher salary with college)
	Los Angeles PD/ Detective	$39,818 $46,833	High School Diploma (higher salary with college)
	Oakland PD/Officer	$31,586	High School Diploma
	Oakland PD/Detective	$45,036	High School Diploma
Colorado	Denver PD/Officer	$23,368	High School Diploma
	Denver PD/Detective	$37,248	High School Diploma
Connecticut	Samford PD/Officer	$30,200	High School Diploma
	Samford PD/Detective	$38,166	High School Diploma
Illinois	Chicago PD/Officer	$26,469	High School Diploma
	Chicago PD/Detective	$30,882	High School Diploma
Minnesota	St. Paul PD/Officer	$28,193	2-year degree from institution offering professional police officers program

State	Agency/Position	Starting Salary	Education Requirements
	St. Paul PD/ Detective	$37,188	2-year degree from institution offering professional police officers program (and 4 years as an officer)
New Jersey	Fort Lee PD/Officer	$30,376	High School Diploma
	Fort Lee PD/Detective	$43,380	High School Diploma
Ohio	Mentor PD/Officer	$25,488	High School Diploma
	Mentor PD/Detective	$32,119	High School Diploma
Oregon	Portland PD/Officer	$25,077	2-years of college
	Portland PD/Detective	$36,415	2-years of college
Pennsylvania	Philadelphia PD/ Deputy/Officer	$26,939	High School Diploma
	Philadelphia PD/ Deputy/Detective	$30,273	High School Diploma
Virginia	Arlington County PD/Officer	$27,040	2-years of college
	Arlington County PD/Detective	$31,283	2-years of college
Washington	Takoma PD/Officer	$30,527	High School Diploma
	Takoma PD/Detective	$36,122	High School Diploma

AGENT TURF WARS IN DRUG ENGORCEMENT

Mr. KOLBE. My final area of question has to do with a continuing problem. I don't know that we are ever going to resolve it.

That is the coordination in the drug war. There was an interesting article several months ago in our major newspaper in Arizona about yet another turf fight between, in this case, Customs and the DEA.

I realize this is not you, not the FBI. But again, perhaps going back to my days as Chairman of the Judiciary Committee in my state legislature, I have a perception this is an ongoing problem.

I don't know the role of Mr. Bennett as mediator or arbitrator. As I see it, he is primarily a policy person. Are we going to resolve these turf problems?

I think it plagues our whole effort in drug enforcement.

Mr. SESSIONS. I have two observations about that. First of all, about how those confrontations evolve and how they take place.

Every agency, if it is energetic and is pursuing its jurisdiction the way it should is going to run up against undercover people, and against other operations of other agencies. It happens routinely.

What has to happen in order to avoid that is a continuing, strong determination to coordinate fully and completely with the other agencies in areas of operation.

It is my belief that this absolutely must take place, and we pursue that diligently. We pursue it on a continuing basis with DEA. We continually pursue it out of field offices where we work to be sure there is coordination.

I think you are right. I think the law enforcement agencies have a responsibility to demand that and to do it.

It must happen at the top and it must happen again at every other level. But it is a very vigorous area of investigation with a lot of agencies involved and it is difficult to do.

But I agree with you, it must not be ignored and it must continually be attacked. I think it will always continue because it is natural where agencies are pursuing vigorously their own jurisdiction to come into conflict with another agency's jurisdiction.

It happens between the FBI and other agencies, and we, immediately, at the top and everywhere down the line try to attack that particular circumstance, and correct it to be sure it doesn't happen again.

Mr. KOLBE. I am not so worried about the fact that agencies come in contact with each other in the pursuit of their responsibilities or run up against each other, as you put it. I am concerned about the agency that worries that if someone else is going to grab a little bit of the credit, that agency may get bit more resources. That is what I see would happen too often.

I know you share this concern, between the FBI and DEA at least you have one boss at the top.

You get over to Customs, then you are within interdepartmental feuds. You get to talking about the FBI or DEA and the state police or local police, then you are have multiple coordination problems. That is where I see this problem continuing on and on.

Mr. SESSIONS. Every time I go out, no matter what group I am talking with, whether it is the International Chiefs of Police, or the

National Executive Institute one primary conversation always surfaces. That is exactly the thrust of what you are talking about, the necessity from the top, that they work toward cooperation and recognize the fact that cooperation is beneficial to our efforts.

In about 85 percent of our cases, there are other local agencies or other Federal agencies involved. If we do not have that cooperation, and if we do not insist on cooperation on a constant and continuing basis, our efforts deteriorate.

Mr. **Kolbe**. To summarize your view then a solution lies in leadership at the top. You don't see a legislative approach to this thing to assure coordination and cooperation?

Mr. **Sessions**. Of course, there may be benefit derived from Congressional guidance in that regard. Basically, I think it comes from leadership.

Mr. **Kolbe**. Thank you.

Mr. **Smith**. Thank you for your testimony, Mr. Sessions. We will have now a short closed session.

[The following questions were submitted to be answered for the record.]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

Federal Bureau of Investigation
Impact of 1990 Funding Reductions

QUESTION: In 1990 the FBI was forced to absorb both the cost of the 1990 pay raise and a sequestration of approximately $21 million. What impact did these reductions have on your programs?

ANSWER: The cost of absorbing the 1990 pay raise was $30.311 million. This was accomplished by reducing equipment- funding. Overall, the FBI identified $60.918 million in absorptions for 1990. These included $50.566 million for the following permanent requirements: 1990 pay raise ($30,311,000); Deoxyribonucleic Acid (DNA) database system ($450,000); Engineering Research Facility Pod B construction ($15,000,000) and operations and maintenance ($661,000); rental of space ($789,600); travel, training and supplies ($483,250); salary increases for upgraded positions ($1,230,804); vehicle maintenance ($1,200,000); and other miscellaneous items ($440,000). Also included is $10.352 million for one-year only operational requirements, such as the acquisition of 10-mm weapons and ammunition ($8,127,000), power substation ($960,000) and replacement PCP transformers ($600,000) for the FBI Academy, Special Weapons and Tactics (SWAT) team equipment ($270,000), and other miscellaneous items ($395,000).

The entire $60.918 million was taken from equipment funding, primarily from automobiles, automated data processing equipment, laboratory and technical equipment, and field office furniture and office equipment. All of the 1990 program increases allowed for equipment were eliminated.

The sequestration of funding in compliance with the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended), required the application of across the board reductions to all programs amounting to 1.37 percent. As a result, the FBI lost a total of 177 agent and 232 support permanent positions, at a cost of $17.546 million. Another $3.395 million in reductions associated with sequestration were taken from equipment funding. The following table details the sequestration of funding by budget decision unit:

1990 Sequestration

	Positions		Budget Authority ($000)	
Decision Unit	Agent	Support	Personnel	Nonpers
Other Field Programs	-91	-73	-$7,508	-$1,140
Organized Crime	-19	-13	-$1,510	-$31
Drugs	-15	-12	-1,225	-48
White-Collar Crime	-38	-27	-2,998	-56
Training	-3	-5	-356	-9
Forensic Services - Federal	-2	-5	-307	-30
ADP & Telecommunications	-1	-18	-751	-1,243

	Positions		Budget Authority ($000)	
Decision Unit	Agent	Support	Personnel	Nonpers
Records Management	-1	-16	-545	-5
Technical Field Support & Equipment	...	-3	-113	-781
General Law Enforcement Training	-3	-2	-272	-2
Forensic Services - NonFederal	-1	-2	-117	-16
Fingerprint Identification	...	-30	-861	-21
Criminal Justice Data & Statistics Services	...	-5	-135	...
Exec. Direct. & Control	-2	-8	-395	-2
Administrative Services	-1	-13	-453	-11
TOTAL	-177	-232	-17,546	-3,395

Engineering Research Facility

QUESTION: $15 million was provided in 1990 for constuction of Pod B of the FBI's new Engineering Research Facility (ERF). What is the status of this project?

ANSWER: The FBI has allocated $15 million for construction of Pod B; however, no funding was provided in the 1990 appropriation. Negotiations with the general contractor to return to the facility site are underway. If these negotiations are successful, we anticipate a resumption of construction in June 1990, with a completion date of October, 1991. With the $15 million allocated, the FBI anticipates being able to fund construction of Pod B (research and development, computer-aided engineering, and radio communications) and Pod D (antenna test facility).

QUESTION: Are you prepared to go forward with the final phase of this project (Pod C), and if so, why have you not requested any funds for this purpose in 1991.

ANSWER: Funding totaling $17,012,000 was requested in the 1991 budget (to be recurred in 1992) but was disallowed by the Office of Management and Budget (OMB). There is no flexibility within the FBI's appropriation to absorb the cost of Pod C.

QUESTION: Will dragging out the construction of this facility run up the overall cost?

ANSWER: Yes. Delays in the construction of the ERF have caused an escalation of costs since the initial cost estimate, and these costs continue to rise. Initial cost projections for completion of the facility (i.e., Pods B, C, and D) in 1986, assuming completion in 1989, were $26,000,000; however, due to insufficient funding, the anticipated total costs for these pods, assuming funding is provided in 1991, have escalated to $34,000,000. A failure to provide funding in 1991 for completion of the project will result in cost increases of five to eight percent per year until funding is obligated.

1991 Increases

QUESTION: Considering that the Department has requested an additional $35 million and 274 positions under OCDE for FBI organized crime drug programs, why do you request an additional increase of $4 million and 172 positions for organized crime programs?

ANSWER: The FBI's involvement in Organized Crime Drug Enforcement (OCDE) is totally drug related, and as such, is coordinated through the FBI's Drug Program, which has investigative responsibility for all drug investigations for the FBI. None of these resources being requested for OCDE drug investigations are related to, or in support of, the investigative activities of the FBI's Organized Crime Program.

The FBI is requesting $35 million and 274 positions for OCDE investigations in furtherance of the National Drug Strategy, i.e., the identification and investigation of major drug trafficking organizations. With these resources, the FBI would be able to continue implementing the objectives of National Drug Strategy in conducting effective, coordinated, and sustained investigations against major drug trafficking organizations that are national in scope, with the goal of neutralizing the drug trafficking network through criminal prosecution and the seizure and forfeiture of the proceeds and assets of the organization. These resources would be dedicated to the High Density Drug Trafficking Areas pursuant to the Administration's recently released National Drug Strategy. These areas are the same as the FBI's level I cities outlined in the National Drug Strategy.

The request for $4 million and 172 positions for the Organized Crime Program is to allow the FBI to begin directing an appropriate level of investigative resources to address the illegal activities of Asian organized criminal groups, which include murder, extortion, gambling, loansharking, money laundering, prostitution, smuggling, corruption, and sweatshop labor.

Asian gangs, once considered to be merely street gangs composed of young members who restrict their activities to a limited geographical area, now appear to have become an interstate menace with factions throughout the United States that are either headed, or controlled, by older members of the faction. Many FBI offices have identified major Asian organized criminal activity, however, due to the extent of their involvement in addressing the activities of the La Cosa Nostra (LCN), have not been able to conduct Asian organized crime investigations. Recent investigations that have been initiated, have identified active criminal associations between the LCN and the Chinese and Japanese organized crime groups.

The size of these Asian organized crime groups, plus the development of their association with the LCN, makes it imperative that the FBI no longer delay initiating investigations into the groups' illegal activities. The resources requested for the Organized Crime Program would allow the FBI to use both the Enterprise Theory of Investigation and Civil Racketeer Influenced and Corrupt Organizations (RICO) statutes wherever appropriate to eliminate the Asian organized crime threat to American society.

QUESTION: What is driving the increased requirement for White-Collar Crime resources?

ANSWER: The White-Collar Crime Program is requesting 249 Agent, 161 general support, and 30 special support positions for 1991. They will be used in the following areas:

Governmental Fraud - An increase of 120 Agent and 78 general support positions is needed to address Department of Defense (DOD) Procurement Fraud in 1991, in order for the FBI to expand on and maintain investigative inroads currently being made in the "ILLWIND" DOD procurement fraud investigation. "ILLWIND," with 200 subjects, is focused upon bribery and fraud within Navy procurement. Requested resources would focus upon similar bribery and fraudulent activity in all of the U.S. Armed Services.

Financial Crimes - An increase of 42 Agent and 26 general support positions are necessary for Bank Fraud and Embezzlement (BF&E) investigations to accommodate the recent and projected growth cited in the FBI's BF&E caseload. In addition, the unaddressed workload and the time-consuming and personnel intensive nature of BF&E investigations necessitate further resource allocation to this investigative area. This enhancement is requested to augment current investigative efforts for 1991.

The FBI is requesting an increase of 70 Agent and 46 general support positions to address the overwhelming number of unaddressed fraud by wire schemes, specifically related to boiler room operations and securities.

An increase of 17 Agent and 11 general support positions is requested for bankruptcy fraud matters. These resources are requested to address a predicted increase in bankruptcy referrals, due to the passage of the Bankruptcy Judges, U.S. Trustees, and Family Farmer Bankruptcy Act of 1986, which greatly expanded the U.S. Trustee Program. The sizable increase resulted in an increase in the number of bankruptcy fraud referrals. The additional Agents will also address individual-type fraud cases which are currently investigated too infrequently.

In addition to the Agent and support positions requested, the FBI needs an additional 30 Accounting Technicians to provide quantitative support to investigations.

QUESTION: Please describe the backlog in translations driving the request for $1,100,00 for contract linguists.

ANSWER: A backlog in translations is not a factor in the 1991 increases for the Contract Linguist budget because most of the translation work has to be done immediately and due to the Statute of Limitations cannot be backlogged. Rather, without the contract linguists, the cases cannot be opened. Contract linguists are hired to address translation needs in languages for which the FBI has no capability. The budget increase is requested because of the growing number of these languages which require emergency work for a short term need. In addition, contract linguists provide additional translation services in languages in which the FBI has some capability, but not enough to meet the demands of the cases. The increase is also needed to meet the rising costs of these linguists. The FBI currently pays between $13 and $18 per hour, which is below the going rates of $35 to $50 per hour.

Automation

QUESTION: The FBI's initial purchase of Burroughs Standard Terminals in 1983 provided minimal capabilities for workprocessing and queries of data bases. The second terminal procurement began in 1987 for intelligent workstations (IWS). I understand that you have purchased 5,423 IWSs, but only two-thirds of these are in the field, and field offices are now pleading for more and for associated supporting services. Are funds requested in 1991 to purchase sufficient IWSs to outfit all field offices?

ANSWER: The FBI requested funds in 1991 to purchase sufficient IWSs to outfit all field offices. A $30 million enhancement was requested for 1991 to purchase IWSs and related peripherals for the field. OMB subsequently denied all increases in funding for the acquisition of IWSs for the field.

QUESTION: Does the Bureau plan to strengthen the technological capability for Special Agents in the field with professional staffs for training, assistance and maintenance, and support personnel to load the systems with data and operate them?

ANSWER: Yes. The FBI plans to strengthen the technological capability for agents in the field by upgrading the professional staffs. The FBI's Long-Range Automation Strategy calls for a fully integrated, distributed data architecture in a completely automated environment. Case support will be provided through the utilization of automated systems, particularly the Field Office Information Management System (FOIMS). Professional technical support is required in order to allow investigators to gain the full benefits of this support. To determine the proportion of special support personnel needed to support adequately the investigative agents in the field in this completely automated environment, a comprehensive analysis, including a field survey, is being conducted.

QUESTION: Why didn't the FBI replace the 2,677 older Burroughs instead of entering into a maintenance contract that could add $4,733 to the investment in each of them?

ANSWER: The FBI lacked sufficient funding to replace the 2,677 Burroughs. Funding for IWSs in 1989, 1990, and 1991 was $9,876,000, $1,710,198 and $5,700,000, respectively. Approximately $27 million is required to replace 2,677 Burroughs with IWSs. The yearly maintenance investment for the Burroughs equipment is $3.2 million. The initial allocation of the IWSs was based on providing automation support to users with no automation equipment rather than replacing existing Burroughs terminals. The first-year allocations of the IWSs were primarily used to complete the baseline implementation of FOIMS, as mandated by FBI Director, in twenty-seven offices which were not automated at that time. The next allocation of IWSs were used to replace antiquated wordprocessing equipment, such as Mag Card machines and typewriters in the field offices. This provided all offices with at least a minimum level of microcomputer support to improve wordprocessing capabilities. IWSs were then allocated to the field agents at a ratio of one IWS per every ten Agents to provide critical investigative case support. The requirement is one workstation for every two personnel. Along with the replacement of the antiquated wordprocessing equipment, the FBI initiated the swap of outdated "dumb terminals" in the field with the IWSs.

In 1990, the FBI plans to begin the replacement of 571 Burroughs terminals which are used primarily for wordprocessing functions in the field, such as those for squad secretaries and typists in the wordprocessing pools. This will allow the FBI to generate electronic documents on the same architecture.

QUESTION: By now, all major elements of the FBI are directly engaged in developing and using computer-based systems. Why doesn't the FBI, in keeping with the Paperwork Reduction Act, have an organizational mechanism and procedures for involving the FBI's divisions and major districts in the formulation of annual plans and priorities for development and acquisition of Automated Data Processing and Telecommunications?

ANSWER: The FBI has many organizational mechanisms and procedures in place to aid in the formulation of annual plans and to set priorities for Automated Data Processing and Telecommunications (ADPT) program acquisitions. Foremost, in 1978, the FBI established the Technical Services Division (TSD) as a centralized management entity to solve the most important problems facing the FBI through the development and application of automation and engineering technologies.

Intrinsic to the division are many of the controls dictated by the Paperwork Reduction Act. Specifically, the TSD is organized into five major entities with varying responsibilities, two of which are responsible for the engineering and National Crime Information Center programs. The other three sections are charged with the operation, development, and support of the FBI's automation initiatives. The first of these entities is the Systems Development Section (SDS) whose mission is to design, develop, implement, maintain, and enhance the FBI's various automated information management systems. SDS also provides technology and methodology support for all programs/projects. The Operations Management Section provides large-scale computer operations, communications (voice and data), and related support for other TSD and FBI entities and criminal justice system users. The Planning and Analysis Section provides administrative and analytical support to TSD management at all levels. Staff responsibilities include ADPT equipment acquisition, information systems security and audit, long-range planning as well as other functions.

Further, in keeping with sound management practices, the TSD has instituted several internal reviewing bodies which include the audit and security staffs, a Systems Review Board, the Data Base Design Review Board, and the planning function.

The Paperwork Reduction Act requires that each agency/department be responsible for management of its information resources. The current organizational structure of the FBI allows it to comply with the Act. Accountability and responsibility for the various requirements controls are fixed and centralized at the divisional level with the TSD having the responsibility specifically for the efficient and economical management of the FBI's ADPT program.

QUESTION: It appears that the Automated Data Processing and Telecommunications (ADPT) budget in the FBI bears a disproportionately higher share of Gramm-Rudman cuts and also is a recurring source for reprogrammings. After the Committee has appropriated money for automation, why has the FBI reduced those budgets by $113 million in the six-year period of 1985 to 1990?

ANSWER: Sequestration of funding in 1990 was allocated across all programs at the rate of 1.37 percent; thus, the ADPT program bore the same proportionate reduction as all other programs. In 1986, the FBI requested and received Congressional exemption to the sequestration requirement of a flat percentage reduction across all programs. In that year, the FBI reduced the Automated Data Processing and Telecommunications (ADPT) program $21.9 million, or 42 percent of the total amount sequestered. In electing that particular course of action,' FBI management realized that all of the appropriated equipment funding for the ADPT program could not be obligated in 1986 due to a lawsuit voiding the standard terminal contract awarded in 1985.

Three other factors have contributed to recent situations where the FBI has found itself reallocating funding from the ADPT and other programs. One factor is the continuing required absorption of various costs such as pay increases. A second factor is increasing operational costs related to travel in support of investigations, GSA rent, transfers of personnel to field offices, supplies, and related items. A final factor is the expansion of the FBI's mission and services without commensurate increases in funding. Historically, when confronted with absorptions, FBI managers have chosen to retain personnel at the expense of its equipment base. However, in light of the substantial absorptions confronting the Bureau, FBI executives have realized that the effects of the reductions to technical equipment funding have reached a point where the FBI would not be able to effectively equip its workforce and provide technical support to investigative activities if absorptions were not also shared on the personnel side. Balancing the FBI's needs for personnel and the equipment to support them is of the utmost importance.

QUESTION: The FBI has always prided itself on being the best law enforcement agency in the country because of its technological edge. Why then do you sacrifice that edge by cutting back on technological advances in order to maintain employment levels?

ANSWER: In order to fund major required absorptions, the FBI has had to reduce its equipment base and remain below its authorized personnel ceiling levels. It is important for the FBI to balance its need for personnel and the equipment to support them. The FBI would no longer be able to effectively equip its workforce if the absorptions were not translated to personnel reductions at some point. For this reason, the FBI plans to fund the majority of the increased administratively uncontrollable overtime expenses by bringing on personnel later in the year.

For 1991, the FBI, and other components of the Department of Justice, must absorb the cost to implement Public Law 101-173 by taking a reduction of $9 million in equipment. The remaining $33 million cost of P.L. 101-173 will be borne through hiring personnel later in the year and other non-equipment related proposals.

QUESTION: Artificial Intelligence techniques are being developed for use by the FBI. A techniques, where demonstrated, are impressive and appear to be especially helpful to new Special Agents, but concerns have been raised about the cost of these initiatives. Has the FBI subjected the program and its major "competitors" for funding to an independent evaluation to strengthen the basis for future budgetary plans in this area?

ANSWER: Yes. The FBI's artificial intelligence program has been scrutinized internally by the Inspection Division and externally by the Senate and House Appropriations Committees/Subcommittees, the Department of Justice, and the Defense Advanced Research Projects Agency and Institute for Defense Analyses.

WEDNESDAY, MARCH 14, 1990.

UNITED STATES MARSHALS SERVICE

WITNESSES

K. MICHAEL MOORE, DIRECTOR

JOHN J. TWOMEY, DEPUTY DIRECTOR

ROBERT J. HAYES, BUDGET DIRECTOR

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

1991 BUDGET REQUEST

Mr. EARLY. The subcommittee will come to order.

I apologize for being late. We had a picture taking session in the chamber and that is the reason why I am late. With the membership we have to take 11 pictures, to have a chance of getting one good picture. [Laughter.]

Mr. ROGERS. When you look at the Committee, you can see why it takes such a long time. [Laughter.]

Mr. EARLY. We will now hear testimony from the United States Marshals Service, concerning their Salaries and Expenses account, the Assets Forfeiture Fund and the Support of U.S. Prisoners account.

The Marshals Service requests appropriations of $288,529,000 in fiscal year 1991 for Salaries and Expenses, $100,000,000 for the Asset Forfeiture Fund, and $193,034,000 for Support of U.S. Prisoners.

We will insert in the record at this point the fiscal year 1991 budget justification for these requests.

[The justifications follow:]

Department of Justice

United States Marshals Service

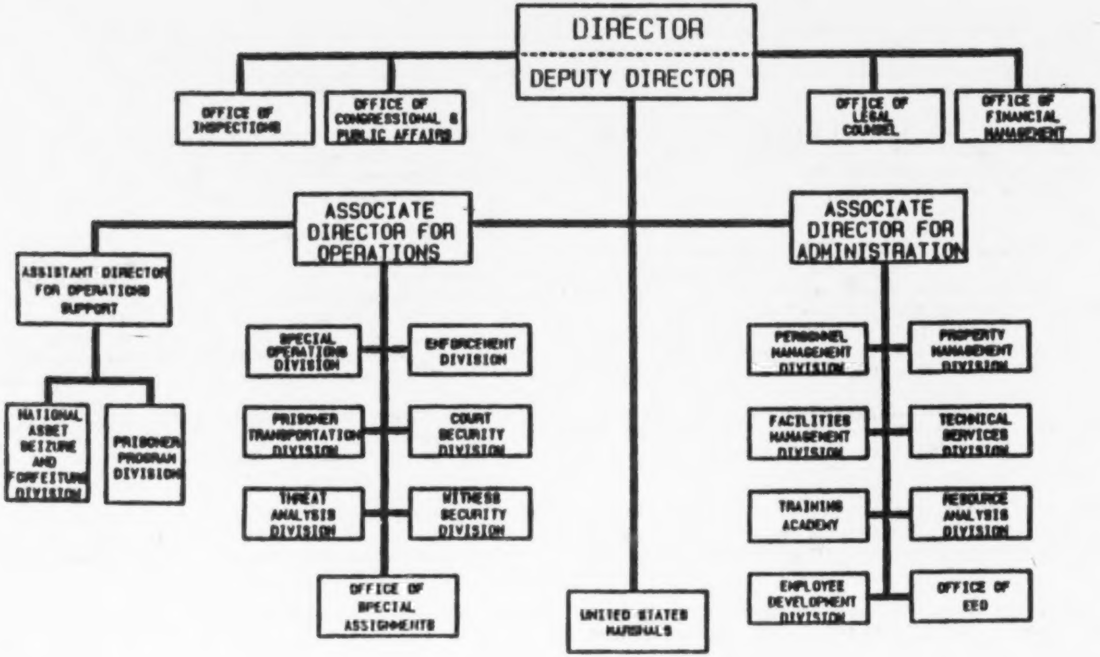
Salaries and Expenses

Estimates for Fiscal Year 1991

Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes in Appropriation Language	7
Crosswalk of 1990 Changes	9
Summary of Requirements	10
Summary of Resources by Program	11
Justification of Program and Performance	12
Protection of the Judicial Process	13
Prisoner Transportation and Detention	29
Fugitive Apprehension	35
Seized Assets Management	39
D.C. Superior Court	42
Service of Process	45
Field Support and Training	46
ADP/Telecommunications	48
Management and Administration	52
Financial Analysis - Program Changes	59
Priority Ranking	60
Detail of Permanent Positions by Category	61
Schedule of Motor Vehicles	62
Schedule of Aircraft	63
Summary of Change	64
Justification of Adjustments to Base	65
Summary of Requirements by Grade and Object Class	69

UNITED STATES MARSHALS SERVICE


DIRECTOR
DEPUTY DIRECTOR
OFFICE OF INSPECTIONS
OFFICE OF CONGRESSIONAL & PUBLIC AFFAIRS
OFFICE OF LEGAL COUNSEL
OFFICE OF FINANCIAL MANAGEMENT
ASSOCIATE DIRECTOR FOR OPERATIONS
ASSOCIATE DIRECTOR FOR ADMINISTRATION
ASSISTANT DIRECTOR FOR OPERATIONS SUPPORT
NATIONAL ASSET SEIZURE AND FORFEITURE DIVISION
PRISONER PROGRAM DIVISION
SPECIAL OPERATIONS DIVISION
ENFORCEMENT DIVISION
PRISONER TRANSPORTATION DIVISION
COURT SECURITY DIVISION
THREAT ANALYSIS DIVISION
WITNESS SECURITY DIVISION
OFFICE OF SPECIAL ASSIGNMENTS
UNITED STATES MARSHALS
PERSONNEL MANAGEMENT DIVISION
PROPERTY MANAGEMENT DIVISION
FACILITIES MANAGEMENT DIVISION
TECHNICAL SERVICES DIVISION
TRAINING ACADEMY
RESOURCE ANALYSIS DIVISION
EMPLOYEE DEVELOPMENT DIVISION
OFFICE OF EEO

Approved: Edwin Meese III Date: 8 Jul 88

EDWIN MEESE III
Attorney General

United States Marshals Service

Salaries and expenses

Summary Statement

Fiscal Year 1991

The United States Marshals Service is requesting, for 1991, a total of $288,529,000, 3,503 permanent positions, and 3,436 workyears. This request represents a net increase of 253 positions, 263 workyears and $50,668,000 over the 1990 appropriation enacted.

The Marshals Service seeks resources for those key responsibilities it performs on behalf of the entire judicial system. Whether safeguarding all judicial participants, detaining and transporting prisoners, capturing those trying to escape justice, or managing drug dealers' ill-gotten assets, the Service provides core services necessary for a uniform system of justice.

Others, particularly at the front-end of the system (investigative agencies and prosecutors), have received sizeable resource increases to wage the War on Drugs. The recent, substantial increases for the U.S. Attorneys, for example, will result in additional prosecutions which will seriously tax the Marshal Service's capacity.

Right now, investigative and prosecutorial efforts result in the consistent growth in everything from prisoner population to time devoted to criminal proceedings. When combined with accelerated drug activity, it presents us with a workload we cannot face, especially in view of our existing infrastructure. The Marshals Service is burdened with an aging inventory in virtually every area. Vehicles well beyond their useful life transport prisoners increasingly longer distances each day. Detention facilities in buildings a half-century old were never designed for today's heightened security requirements. Our Digital Voice Privacy (DVP) radio system remains incomplete but is essential to ensure safety during upcoming proceedings. Our information systems are fragmented and lack the level of automation needed to manage the wide range of responsibilities facing the Marshals Service.

The most serious problem, however, affects our most valuable resource: our workforce. Over the next few years, it will undergo a major transition as mandatory retirements reach three times the normal level. The skilled veterans who now guard the courtrooms, transport prisoners and secure the judicial process must be replaced with a large influx of well-trained, highly-motivated recruits if we are to meet the unprecedented demands for improved security.

The magnitude of the detention problem also cannot be denied. We barely find adequate bed space for the prisoners now in our custody--at great expense in time, distance and effort. What will happen when that population exceeds 16,000, stay in jail months at a time, and need to be produced for dozens of court proceedings? Likewise, how will we safeguard multiple-defendant drug trials when most Federal court facilities fail to meet basic security standards? In the past we assigned more and more Deputies to high-risk proceedings just to ensure minimum safety, but always at a cost to something else: asset management, fugitive investigations or another priority.

As yesterday's prisoners are replaced with today's we find these new defendants to be more dangerous and violence-prone than ever before. Moreover, the international scope of these efforts adds a new dimension to security requirements. Recently drug leaders Carlos Lehder-Rivas and Juan Matta Ballesteros were safely tried and sentenced. Now, Manuel Antonio Noriega is in our custody. And in the past few months, we have brought more than a dozen Medillein "extraditables" to the United States to face judicial proceedings.

Meanwhile, other long-term problems persist. The recent bombings in the Eleventh Circuit underscore the need for security for all types of judicial endeavors.

While of primary importance, judicial protection and prisoner custody are but two of our major priorities. To fully succeed, we must address every facet of our responsibilities adequately. Failure to do so simply shifts problems elsewhere in the judicial system. Other areas requiring major emphasis include fugitive apprehension, seized asset management and support services.

The potential of the seized asset program must be realized. Substantial resources are needed to keep pace with the responsibilities of managing a $1 billion inventory, generated by the aggressive efforts of the U.S. Attorneys. Improvements in support services must be addressed too. Chronic understaffing in such areas as financial management, procurement, personnel, and training must be corrected if we are to provide effective, efficient service. In fact, the Department's 1989 audit of the Marshals Service lists many of these matters as serious concerns, substantiating our claim that additional resources are needed in areas which support the Service's operational mission.

In summary, this budget carefully balances fiscal concerns and program realities. Absent adequate support, we have no chance of achieving our mission objectives. A brief summarization of the Marshals Service 1990 program requirements follows.

Protection of the Judicial Process

The Protection of the Judicial Process Program includes all the efforts required to coordinate the safe conduct of judicial proceedings and maintain a secure, open court environment for all participants . In 1991, 99 positions, 51 workyears and $15,820,000 are requested for the activities in this program.

The ultimate disposition of drug and other crime offenders must be through the workings of the criminal justice system. It is the Marshals Service's singular responsibility to ensure the safe conduct of judicial proceedings. Several factors, not the least of which is the nature of the offense, determine the level of security that the Service provides at criminal court proceedings.

In recent years, it has become apparent that Federal drug offenses require higher levels of security than all other categories of criminal offense. A random sampling of approximately 10,000 criminal offenses revealed that, compared to all other Federal criminal cases, drug prosecutions involved 21 percent more proceedings, lasted 35 percent longer, and involved 63 percent more defendants. Not surprisingly, by 1991 time devoted to criminal proceedings will increase approximately 20 percent above the 1989 level, and over 60 percent of all criminal proceedings will be drug-related.

As the Drug War advances to the courtroom, resulting in a workload that is 70 percent drug-related, protected witnesses will make over 4,900 court appearances in 1991, up 56 percent from 1988. Security needed to ensure successful testimony will increase proportionally. Further, post-testimony requirements--particularly employment assistance (projected to increase 145 percent from 1988 to 1991) and completion of new personal history documents (up 51 percent in the same period)--reflect the increasing difficulty of placing greater numbers of foreign-born witnesses in a totally new environment and maintaining security of long-term protectees. Yet, in cases where such witnesses testify, nine-out-of-ten result in convictions.

Unprecedented growth in such indicators as criminal proceedings (up 20 percent over 1989's record level) and prisoner productions (will exceed 600,000 in 1991, up 62 percent since 1988), demonstrates that added resources for prisoner security are urgently needed in 1991. This foreshadows greater in-court security needs, particularly given the poor physical/structural security found in most Federal courthouses nationwide.

Prisoner Transportation and Detention

To provide for the growing needs of the Prisoner Transportation and Detention Program for 1991, a net increase of 49 positions, 24 workyears and $13,264,000 is requested. These resources will be used to provide improvements in prisoner production and the expansion of the National Prisoner Transportation System (NPTS) activities.

Today, over 12,000 prisoners are in Marshals Service custody. By 1991 that figure will exceed 16,000, with no end in sight. Each year Deputies travel farther than before taking prisoners to and from court and available jails. Increasing reliance must be placed on the NPTS as the "in-district" transportation assumes Regional proportions. Further efforts are being made to explore all available detention space (public and private) to deal with this crisis. And, renovations are needed in Marshals Service cellblocks and detention cells--80 percent of which are below Federal standards--to realize their short-term detention capacity.

Fugitive Apprehension

The Marshals Service promotes a comprehensive approach to fugitive apprehension and places special emphasis on major organized crime and drug fugitives. Last year the Marshals Service arrested over 14,000 felons. In 1990, we expect to arrest close to 17,000 as a result of the Attorney General's determination that the Marshals Service assumes responsibility for most DEA fugitive cases and the additional fugitive efforts funded under the President's 1990 initiative.

The challenge, however, remains formidable. Over sixty-five percent of the fugitives are wanted in drug-related cases. Drug fugitives have more resources than before, making them among the most creative and dangerous to apprehend. As a result of the increase for fugitive apprehensions granted in the President's 1990 Violent Crime Initiative, no program increases are requested for 1991. In addition, this submission reflects a program reduction of 87 positions, 92 workyears and $5,400,000, which, in terms of workyears, results in a reduction of only 17 workyears from the 1990 enacted level for this program. This reduction is based on an anticipated decline in the backlog of fugitive felony warrants.

Seized Asset Management

In order to handle unprecedented increases in workload in the Seized Asset Management Program, we request an increase of 134 positions, 67 workyears and $6,239,000 for 1991. These resources will be used to establish an additional 44 seized asset management units, expanding this service to the 56 highest-volume districts. Because of the increased volume of workload generated by the additional U.S. Attorneys and the attendant rise in equitable sharing, management services, and timely disposition of assets the Marshals Service must receive a proportional increase in resources for both operational and administrative functions.

D.C. Superior Court

The Marshals Service requests in increase of 35 positions, 17 workyears and $1,540,000 for the District of Columbia Superior Court. The additional resources are urgently needed to address every aspect of this district's responsibilities. Current staffing shortages necessitate the dangerous practice of one Deputy escorting ten prisoners through the Courthouse when moving them from the cellblocks to the courtroom. The shortage of Deputies endangers the judiciary, the general public, the prisoners, and Marshals Service personnel.

Service of Process

Every year the Marshals Service executes hundreds of thousands of summonses, writs, mandates, and other process for the Federal Courts, United States Attorneys, private litigants, Federal agencies, foreign governments, and others. This program is also responsible for providing law enforcement assistance in nuclear weapons movement through reimbursable agreements with the Joint Cruise Missile Project Office of the Department of Defense and the U.S. Air Force, and providing specific assistance to State and local law enforcement agencies. No increased resources are requested for 1991.

Field Support and Training

The Marshals Service has assembled the most comprehensive and sophisticated training program to develop the best operational deputies possible. Specialized classes in officer survival and protective services help prepare the workforce for the complex and dangerous Marshals Service missions. No increased resources are requested for 1991.

ADP and Telecommunications

Unfortunately, the quality of our technology does not match the caliber of our employees. In fact, it no longer satisfies basic requirements. Our DVP radio system, initiated in 1980, stands 85 percent complete, with much of the initial equipment ready for replacement. Our various ADP and management information systems are fragmented and rely on computer equipment of a previous generation.

The Marshals Service requests an increase of $5,112,000 for improvements in the ADP and Telecommunications Program for 1991. The requested increases will enable the Service to upgrade ADP hardware and software, enhance the District Accounting System (DAS) and the Prisoner Population Management System (PPMS) software, install networks in the largest districts and complete the fixed radio portion of the Marshals Service radio plan.

Management and Administration

For 1991, the Marshals Service requests another 23 positions, 13 workyears and $1,055,000 for improvements in the Management and Administration Program. This includes resources to address the marked increase in contract litigation and review by the Office of Legal Counsel; remedy the accounting weaknesses in handling our financial management responsibilities cited in the recent Audit Report; improve positions in personnel management to comply with OMB-established standards; and advance the management information and support activities in the Service to keep pace with operational demands.

United States Marshals Service

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses, United States Marshals Service

For necessary expenses of the United States Marshals Service; including acquisition, lease, maintenance, and operation of vehicles and aircraft; [$217,027,000 as authorized in Public Law 100-690 (102 Stat. 4513)] ^ Provided, That notwithstanding the provisions of title 31 U.S.C. 3302, [for fiscal year 1990 and hereafter] the Director of the United States Marshals Service may collect fees and expenses for the services authorized by 28 U.S.C. 1921 as amended by Public Law 100-690, and credit ^ fees to this appropriation to be used for salaries and other expenses incurred in providing these services [: Provided further, That not to exceed $6,000 shall be available for official reception and representation expenses].

including purchase of passenger motor vehicles for police-type use without regard to the general purchase price limitation for the current fiscal year; $288,529,000; of which not to exceed $12,653,000 for the renovation and construction of Marshals Service prisoner holding facilities shall be available until expended;

not to exceed $1,000,000 of such

(18 U.S.C. 1963, 3053, 3059, 3192, 4008, 3521-3528, 19 U.S.C. 1613; 21 U.S.C. 881; 28 U.S.C. 510; 524, 561-562, 565, 567, 569-572, 1921; 48 U.S.C. 1424(b), 1614(c), 1694(b)(3); Department of Justice Appropriations Act, 1990, additional authorizing legislation to be proposed.)

[For carrying out efforts at National Drug Control and the President's initiative to combat violent crime, $23,819,000 to improve the ability of the United States Marshals Service to pursue and apprehend alleged major drug and organized crime figures, and to improve the security required for anti-drug and organized crime judicial proceedings.]

(Department of Transportation and Related Agencies Appropriations Act, 1990)

Explanation of changes

1. The first change will permit direct purchase of vehicles instead of continuing the lease-purchase arrangement under which vehicles have previously been acquired. Language is also added which would permit up to $12,653,000 of the 1991 appropriation to be available until expended for the renovation and construction of holding facilities. The funds would permit renovation of 115 courtroom holding cells, prisoner detention areas, and courtroom elevators. Marshals Service appropriations have previously been available for these purposes but an expanded program requires more than one year to fully implement a number of the proposed projects.

2. The second change strikes the hereafter clause and restores the previous dollar limitation on the collection of fees and expenses for the service of civil process. Beginning in 1987 the Director of the Marshals Service was permitted to collect fees and pay expenses for the service of civil process and credit not to exceed $1,000,000 to the appropriation to cover expenses incurred. The 1990 Act inserted a hereafter clause, which would have made it unnecessary to restate this authority on an annual basis, but it also removed the $1,000,000 limitation.

3. The third change proposes deletion of the separate limitation for reception and representation expenses in favor of a Department limitation of $95,000 which would be available for allocation among the Department's various components.

4. The fourth change deletes language which is included in the Department of Transportation and Related Agencies Appropritions Act, 1990.

United States Marshals Service

Salaries and expenses

Crosswalk of 1990 Changes

(Dollars in thousands)

	1990 President's Budget Request			1990 Sequestration			Reprogrammings			1990 Appropriation Enacted		
Activity/Program	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1. Protection of the Judicial Process....	1,112	1,089	$83,029	...	...	($1,029)	...	...	...	1,112	1,089	$82,000
2. Prisoner Transportation and Detention..................................	560	552	40,015	...	...	(495)	...	...	...	560	552	39,520
3. Fugitive Apprehension..................	671	611	48,471	...	...	(601)	...	...	...	671	611	47,870
4. Seized Asset Management.............	240	230	14,381	...	...	(178)	...	...	...	240	230	14,203
5. D.C. Court..................................	124	121	5,617	...	...	(70)	...	...	...	124	121	5,547
6. Service of Process	182	195	12,176	...	...	(151)	...	...	...	182	195	12,025
7. Field Support and Training............	168	176	10,243	...	...	(127)	...	...	...	168	176	10,116
8. ADP/Telecommunications.............	32	29	13,859	...	...	(172)	...	...	...	32	29	13,687
9. Management and Administration.....	161	170	13,055	...	...	(162)	...	...	...	161	170	12,893
Total...	3,250	3,173	240,846	...	...	(2,985)	...	...	...	3,250	3,173	237,861

1990 Sequestration. A total of $2,985,000 was sequestered pursuant to the Omnibus Budget Reconciliation Act of 1989.

United States Marshals Service

Salaries and expenses

Summary of Requirements

(Dollars in thousands)

Adjustment to base:	Perm. Pos.	Work-Years	Amount
Department of Justice Appropriations Act, 1990	...	...	$217,027
Department of Transportation, Appropriations Act, 1990 Emergency Drug Funding	...	...	23,819
1990 as enacted	3,250	3,173	240,846
1990 Sequestration	...	...	(2,985)
1990 appropriation anticipated	3,250	3,173	237,861
Mandatory increases	...	183	16,937
Decreases	...	...	(3,899)
1991 base	3,250	3,356	250,899

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
United States Marshals Service	3,250	3,173	$237,861	3,250	3,356	$250,899	3,503	3,436	$288,529	253	80	$37,630
EOY Employment:	Approp	Reimb	Total	Approp	Reimb	Total	Approp	Reimb	Total	Approp	Reimb	Total
Full-time permanent	3,250	62	3,312	3,250	62	3,312	3,503	62	3,565	253	...	253
Other than permanent	171	...	171	171	...	171	171	...	171	...	...	...
Total	3,421	62	3,483	3,421	62	3,483	3,674	62	3,736	253		253

United States Marshals Service

Salaries and expenses

Summary of Resources by Program

(Dollars in thousands)

	1989 as Enacted			1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by Program	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Protection of Judicial Process	1,001	1,012	$71,336	1,001	1,024	$71,664	1,112	1,089	$82,000	1,112	1,143	$86,495	1,211	1,194	$102,315	99	51	$15,820
Prisoner Transportation and Detention	505	509	35,686	505	528	36,004	560	552	39,520	560	606	41,686	609	630	54,950	49	24	13,264
Fugitive Apprehension	521	536	33,805	521	517	34,219	671	611	47,870	671	686	50,494	584	594	45,094	(87)	(92)	(5,400)
Seized Assets Management	240	221	13,274	240	236	14,207	240	230	14,203	240	230	14,981	374	297	21,220	134	67	6,239
D. C. Superior Court	124	111	4,980	124	91	4,619	124	121	5,547	124	121	5,851	159	138	7,391	35	17	1,540
Service of Process	182	195	11,268	182	191	11,778	182	195	12,025	182	195	12,684	182	195	12,684	...	...	...
Field Support & Training	168	175	9,430	168	185	9,636	168	176	10,116	168	176	10,671	168	176	10,671	...	...	...
ADP/Telecommunications	32	26	11,540	32	20	9,136	32	29	13,687	32	29	14,437	32	29	19,549	...	...	5,112
Management & Admin	161	189	13,005	161	185	12,751	161	170	12,893	161	170	13,600	184	183	14,655	23	13	1,055
OCDE	13	13	805	13	12	805	...	...	...	...	...	...	...	...	...	...	...	...
Total	2,947	2,987	205,129	2,947	2,989	204,819	3,250	3,173	237,861	3,250	3,356	250,899	3,503	3,436	288,529	253	80	37,630
Reimbursable workyear		49			49			62			62			62			...	
Total ceiling workyears		3,036			3,038			3,235			3,418			3,498			80	
Other Workyears:																		
Overtime:		400			400			450			450			490			40	
Total compensable workyears		3,436			3,438			3,685			3,868			3,988			120	

United States Marshals Service

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary

(Dollars in thousands)

Activity: U.S. Marshals

Estimates by Program	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Protection of Judicial Process	1,112	1,089	$82,000	1,112	1,143	$86,495	1,211	1,194	$102,315	99	51	$15,820
Prisoner Transportation and Detention	560	552	39,520	560	606	41,686	609	630	54,950	49	24	13,264
Fugitive Apprehension	671	611	47,870	671	686	50,494	584	594	45,094	(87)	(92)	(5,400)
Seized Assets Management	240	230	14,203	240	230	14,981	374	297	21,220	134	67	6,239
D. C. Superior Court	124	121	5,547	124	121	5,851	159	138	7,391	35	17	1,540
Service of Process	182	195	12,025	182	195	12,684	182	195	12,684	...	...	...
Field Support & Training	168	176	10,116	168	176	10,671	168	176	10,671	...	...	...
ADP/Telecommunications	32	29	13,687	32	29	14,437	32	29	19,549	...	...	5,112
Management & Administration	161	170	12,893	161	170	13,600	184	183	14,655	23	13	1,055
Total	3,250	3,173	237,861	3,250	3,356	250,899	3,503	3,436	288,529	253	80	37,630

This budget activity provides vital support to the Federal Government's administration of the justice system in the areas of operational support and protection of the federal judiciary, including court security; execution of fugitive investigations and court orders; seizure, management and disposal of assets subject to judicial forfeiture; protection of key government witnesses; custody and transportation of unsentenced federal prisoners; and contracting with local detention facilities for the housing of unsentenced federal prisoners.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Protection of the Judicial Process...	1,112	1,089	$82,000	1,112	1,143	$86,495	1,211	1,194	$102,315	99	51	$15,820

Long-Range Goals: To protect those witnesses, potential witnesses, and their dependents whose lives are in jeopardy as a result of actual or potential testimony against criminal organizations, drug traffickers, terrorists and other Federal criminals.

To ensure the integrity of the Federal judicial system by providing security at all places in which Federal judicial business is conducted, and to eliminate fear of intimidation, retribution, or physical harm on behalf of all judicial participants.

To ensure prisoner and courtroom security at judicial proceedings.

Major Objectives:

To maintain security at over 500 judicial facilities across the nation by: evaluating new and changing requirements; providing technical assistance to U.S. Marshals and the Federal judiciary on security procedures; and, using the latest state-of-the-art security equipment.

To provide personnel and security systems to protect all high-threat trials, other criminal proceedings, and certain civil proceedings, where warranted.

To augment courtroom security with specially trained Special Operations Group (SOG) Deputy U.S. Marshals for high-risk/threat court security needs.

To provide 24-hour-a-day security services to establish and maintain a threat assessment and risk management methodology service for members of the Federal judiciary (including employees and families) threatened as a result of performing their duties. Security is also provided to sequestered juries, grand juries, and judicial conferences.

To provide contract security officers and security equipment to secure all judicial facilities.

To protect those endangered witnesses and their families who have been approved for protective services by the Department of Justice, Criminal Division, Office of Enforcement Operations.

To ensure that endangered witnesses can testify without fear of retribution.

To assist witnesses and families in becoming self-sustaining through relocation under new identities.

To ensure that prisoner holding areas in Federal courthouses meet minimum National standards for safety, health and security.

Base Program Description: The Judicial Security program maintains the integrity of the judicial process by ensuring that each Federal judicial facility is secure and that all Federal judges, magistrates, prosecutors and participants can conduct judicial proceedings in an open and safe environment.

The Technical Assistance element provides highly trained judicial security specialists to assist U.S. Marshals, judges, and other members of the judicial family in evaluating security risks and planning and implementing responses.

The Court Security element uses personnel and proven systems and procedures to ensure the integrity of the judicial process. Appropriate security measures include screening courtroom participants, packages, and spectators with x-ray equipment and metal detectors outside Federal courtrooms; isolating the criminal defendants from the public; and ensuring that an appropriate number of Deputy U.S. Marshals are assigned to the courtroom to preclude or minimize any disruption that could reasonably be anticipated.

The Threat Analysis Division provides information concerning threats to judicial family members, Marshals Service personnel, and to those who are under the protection of the Marshals Service. This includes a centralized Threat Analysis Group that supports operations involving judicial security, high-threat trials, witness security, and enforcement operations (especially the execution of warrants involving violence-pron groups), by preventing acts of violence and intimidation, and providing intelligence information for those members of the judicial family under threat.

The Judicial Facility Security element utilizes authority delegated by the General Services Administration to contract with the private sector for highly qualified contract guards, called Court Security Officers (CSOs), and for the installation and maintenance of physical security equipment. All direct costs for this program element are funded by the judiciary through a Memorandum of Understanding with the Administrative Office of the United States Courts (AOUSC).

The Witness Security program is the Government's most effective way to obtain testimony against accused drug dealers, major organized crime members, and terrorists. It encourages potential witnesses to testify by providing the secure environment and support services necessary to eliminate fear that such testimony would jeopardize the safety of the witnesses and their families.

This program supports the Federal judicial system through the timely receipt, administrative processing, and production for judicial proceedings of all prisoners in Marshals Service custody (the transportation and movement of federal prisoners within district and via the NPTS); and the supervision of unsentenced prisoners.

Individuals arrested or detained for violation of Federal statutes are remanded to the custody of the Marshals Service. Federal prisoners are transported and moved within and between districts for observation, and service of sentence. Short-distance prisoner moves are completed by district personnel using government vehicles.

Accomplishments and Workload: Accomplishments of the Protection of the Judicial Process program are presented in the following table.

			Estimates	
Item	1988	1989	1990	1991
JUDICIAL SECURITY				
Criminal trial bench hours..................	106,466	116,188	127,800	140,000
Civil trial bench hours.....................	172,170	164,431	178,100	181,350
Other proceedings bench hours...............	156,148	146,487	160,000	168,400
Magistrate proceedings......................	502,987	450,586	510,000	553,600
Threats received............................	213	331	425	500
Protective services details.................	69	93	140	167
Judicial conferences........................	36	49	75	100
Background investigations (including limited background investigations)..........	500	500	1,000	1,042
Security up-dates...........................	...	...	600	1,800
WITNESS SECURITY				
New principal witnesses.....................	208	185*	200*	240*
Cumulative witness workload.................	5,253	5,438*	5,638*	5,878*
Cumulative program participants (includes witnesses & family members)......	11,755	11,511*	11,886	12,301
Witnesses funded/maintained/active..........	783	878	973	1,068
Average months witnesses are funded.........	16	17	17	17
Reactivated witnesses	109	115	120	125
Production days (Court appearances)..........	3,132	3,743	4,300	4,900
Child visitations...........................	96	193	216	240
New personal history documents..............	1,921	2,298	2,600	2,900
Household relocations.......................	317	474	450	470

			Estimates	
WITNESS SECURITY (continued)	1988	1989	1990	1991
Preliminary interviews	252	307	350	400
Employment assistance	652	1,544	1,600	1,600
FOIA, Congressional requests	418	450	484	520
Financial Services (voucher transactions)	21,972	28,802	33,600	35,440
Field reports (witness contacts)	29,784	34,696	40,500	45,900
PRISONER SECURITY				
Average daily prisoner population	8,857	11,740	13,916	16,279
Average number workhours per daily prisoner population	193	201	219	239
Prisoners produced for trials	136,476	181,105	213,110	251,469
All other prisoner productions	242,624	260,614	306,671	361,872
Total prisoner productions accomplished	379,100	441,719	519,781	613,341
Construction/renovation of USMS Courtroom holding cells and prisoner elevators	2	3	3	104

* Figure changed because final numbers were not available at the time of the 1991 Galleys were prepared.

Judicial Security

Several factors, not the least of which is the nature of the offense, determine the level of security that the Marshals Service provides at criminal court proceedings. In recent years, it has become more apparent that Federal drug offenses require a higher level of security than all other categories of criminal offenses. The Service has long maintained that drug cases are lengthier, more complex, and require higher levels of security.

The Comprehensive Crime Control Act of 1984, Organized Crime Drug Enforcement Task Forces, the Sentencing Reform Act, Anti-Drug Abuse Act of 1988, and similar initiatives continue to cause the marked growth in the Marshals Service's judicial security workload. More complex security problems result as the War on Drugs presents more alleged international terrorists, major drug traffickers, and others for proceedings in the Federal courts. Prior to the passage of the 1988 Anti-Drug Abuse Act, the Administrative Office of the United States Courts reported a 16 percent increase in cases involving all drug-related offenses. A review of recent criminal trials demonstrates the security problems associated with such proceedings, particularly multiple defendant trials in remote venues.

USA v Jerry Allen LeQuire, et al., a recently completed trial in Alabama, involved 25 defendants, 17 in custody and eight fugitives. The defendants were convicted of continuing criminal enterprise, RICO, narcotics trafficking, and obstruction of justice (murder). Jerry LeQuire is a leader of a drug organization which relies on violence, including murder, to sustain its position as a leading drug-distribution network. DEA intelligence indicated that LeQuire ordered and financed the murder of the mother of a key witness the day before the trial began in Montgomery, Alabama, and that three Latin males using automatic weapons carried out the execution.

In the District of Columbia, the USA v. Edmonds, et al. trial started September 11, 1989. The 11 defendants were charged with continuing criminal enterprise, conspiracy to violate narcotics laws and other drug-related violations. Edmonds' drug empire was accused of smuggling nearly a ton of Colombian cocaine each month for two years and of murdering nearly 30 people. To guard against possible retribution, jurors remained anonymous and were sequestered throughout the trial. The District requested special support from the Court Security Division after the home of a government witness was fire bombed and threats were made against jury members. This necessitated extraordinary security measures including a bullet-proof shielded courtroom, and television surveillance. On December 6, 1989, the jury found all but one of the defendants guilty on all counts. The security for this trial cost the Service nearly $250,000. three

The recent arrest of Manuel Antonio Noriega, who is facing indictment from two Federal Courts, has already, and will continue to represent a price tag for security which will undoubtedly exceed that expended on the likes of convicted drug trafficker Carlos Lehder-Rivas and convicted terrorist Fawaz Younis.

The fact that Noriega is the deposed leader of Panama, the nature of the charges he is facing, his alleged involvement in CIA activity, and the fact that he has drawn worldwide attention, will necessitate unprecedented security measures involving equipment, weapons, and manpower. While in the custody of the U.S. Marshals our extraordinary security requirements are in effect not only during his high-threat court appearances but also 24-hours per day, seven days per week.

The trial of USA v. Ted O'Neill began October 1989 and involves 181 indicted defendants, 41 of whom are currently in custody. These defendants, charged with narcotics violations, are believed to have ties to Panama's former General Noriega, the Irish Republican Army (IRA), organized crime and motorcycle gangs. Due to the numerous defendants in this case, the trial judge is forced to sever the case into trials of 25 defendants at a time. Therefore, numerous Deputies are on Special Assignment in order to augment the three who staff the sub-office where the court is located. These cases are estimated to last as long as two years in total.

Eduardo Martinez-Romero was arrested in Colombia as a result of a nationwide drug crackdown by the Government of Colombia. Martinez was alleged to be associated with the violent Medellin Drug Cartel. He was extradited to the United States on September 7, 1989, and is under indictment in the Northern District of Georgia. He faces charges of money laundering of illicit drug profits. Martinez was first drug suspect to be extradited under the reinstated Colombian-U.S. extradition treaty.

Since the extradition of Martinez, ten other Columbian drug fugitives have been taken into custody and turned over to the United States. They are associated with the Colombian Medellin Drug Cartel, believed responsible for the killing of approximately 80 Columbian judges, including several who ruled against the Cartel. Other judges are in hiding or have left Columbia. Those extradited face trial on drug trafficking charges in various locations throughout the United States. Because of the acts of violence by the Medellin Drug Cartel, these U.S. trials will require intense security.

The primary responsibility of the Threat Analysis Division (TAD) is to support other Marshals Service divisions and field operations in assessing the danger that criminal elements pose to Marshals Service personnel and its protectees. The workload trend seen in this area reflects increases caused by cases involving drugs. For example: in 1987, TAD completed 37 Intelligence Briefs for Marshals Service Offices and other law enforcement agencies, in 1988; 65 Briefs, in 1989, 810 Briefs; and in the first quarter of 1990, 167 Briefs. The Service projects that anticipated workload in this area will continue to increase during 1991.

In 1988, some 213 serious threats were lodged against members of the judicial community, requiring the establishment of 69 protective service details. In 1989, 331 threats were reported, an increase of 55 percent. The Service must take all threats seriously, although some may prove to be unfounded. Even bogus threats represent a significant workload requirement, because judicial officers are given protection when there is any danger that the threat is valid.

A sample of the serious nature of some threats proves that they are made and violence occurs not only before and during trials, but after proceedings have concluded. In 1989 there were 93 protective details, a 35 percent increase above the 1988 level. The length and cost of these protective details continues to rise. A protective detail in Puerto Rico which began in 1984 for Chief U.S. District Judge Perez-Giminez continues today. United States Attorney, Danny Lopez-Romo, of Puerto Rico was provided protection from 1985 to September 1989.

Most details relate to criminal prosecutions, but a trend toward threats appearing in civil cases. In 1988, U.S. District Judge Richard Daronco, Southern District of New York, was murdered as a result of a civil case ruling.

Unfortunately, not only do these trends continue, they escalate. As recently as December 16, 1989, a package bomb was delivered in the mail at the residence of U.S. Court of Appeals Judge Robert S. Vance near Birmingham, Alabama. The package contained a pipe bomb which exploded and killed the judge and seriously injured his wife. Immediately, all U.S. Marshals were notified and directed to warn all Federal judges of the incident. In addition, the U.S. Marshals Service implemented procedures to screen all judges' mail at approximately 500 Federal court facilities, nationwide. After the bombing at Judge Vance's residence, 17 threatening letters were mailed to the other judges in the Eleventh Circuit addressed to "The Late Judge ...".

On December 18, 1989, U.S. Marshals Service personnel detected another package pipe bomb addressed to the Clerk's Office, during the course of screening mail at the Eleventh Circuit Court of Appeals facility in Atlanta, Georgia. The FBI in Atlanta advised that there were similarities between this packaged device and the bomb that killed Judge Vance. Both were pipe bombs containing nails and tacks, and were packaged similarly in shoebox size cartons.

That same day, a bomb exploded and killed private attorney Robert Robinson in his Savannah, Georgia, office. On December 19, a suspicious package was discovered at the National Association for the Advancement of Colored People Headquarters in Jacksonville, Florida. The package contained a bomb similar to the ones in Atlanta and Savannah, Georgia, and Birmingham, Alabama. As a result of these events, the U.S. Marshals Service is currently providing 24-hour personal security to 29 Federal judges in the 11th Circuit. The Service estimates these security details will cost approximately $200,000 per week.

Judicial Conferences also involve Marshals Service protective details, and in 1989, there were 49 Judicial Conferences, a 36 percent increase over 1988. For example, in 1988 the Ninth Circuit held their conference at Coeur D'Alene, Idaho, the site of four bombings in 1988 and near Hayden Lake, Idaho, the headquarters of the Aryan Nations Compound. Over 25 Service personnel were assigned to this protective detail.

As danger in and out of the courtroom escalates, the Service places increasing reliance on its Special Operations Group (SOG). The mission of SOG is to provide operational support and expertise to the Marshals Service. This involves high-risk/threat situations related to court security, fugitive operations, personal protection, prisoner transportation, seizures, witness security or any other law enforcement functions assigned to the Service. This mission is in addition to SOG's traditional responsibility of responding to situations of national significance at the request of the Director or Attorney General, such as Wounded Knee or the prison riot at the United States Penitentiary in Atlanta.

In 1989, SOG was called upon to respond to high-threat trials, seizures and arrests involving narco-terrorists, White supremacy groups and violent, professional criminals. This frequently required one or more six-man teams to respond quickly to a particular situation in a city or region. Current SOG members are located throughout the United States. With the heavy workload in individual districts, it is difficult to mobilize enough SOG members without adversely affecting district operations. Frequently, SOG teams are formed without having worked as a unit previously.

Examples of high-risk/threat missions accomplished by SOG are the following:

1) Domestic Terrorism - Security for Levasseur trial in Springfield, Massachusetts
2) Domestic Terrorism - Security for White Supremacist trial in Fort Smith, Arkansas
3) Narcotic - Security for Gutierrez trial in Los Angeles, California, (DEA Agent Camarena-Salazar murder trial)
4) Narco-Terrorism - Completion of Carlos Lehder drug trial in Jacksonville, Florida
5) International Terrorism - Security on Fawaz Younis, alleged Lebanese hijacker in Washington, D.C.

6) Domestic/International Terrorism - Security and prisoner transportation involving Los Macheteros between Connecticut and Puerto Rico
7) Narcotics - Asset seizure in North Carolina, code named "Operation River Rat"
8) Domestic Terrorism - Arrest of 15 Most Wanted fugitive Ken Martinson (Posse Comitatus) in Las Vegas, Nevada.
9) Narco-Terrorism - Security for the Jerry LeQuire trial, Montgomery, Alabama, (leader of an international narcotics organization charged with murder of a government witness and RICO violations).
10) Narco/International Terrorism - Seven separate extraditions from Bogota, Colombia, involving ten extraditions to the United States.

Recent passage of the Inspector General Act resulted in the April 1989 transfer of all Marshals Service resources committed to Internal Investigations/Inspections to the Office of the Inspector General at the Department of Justice. The Service retained responsibility for conducting background investigations on potential and current Marshals Service employees. To meet our obligation in this area, this program will absorb the personnel security function on an "as available" basis along with the backlog of requests for security updates and investigations which must be addressed. A recent Departmental audit of the personnel security program confirmed the need for additional resources to assure that all Marshals Service employees and contractors have the appropriate level of background investigation conducted. It is essential that these initial investigations and updates be completed to enable full and unimpeded access by our personnel to the sensitive and classified information required to meet the agency's mission.

Early in 1988, the Court Security Division began providing for the physical security of headquarters by contracting for guard hire and training the special security officers who staff the building. Because of the "state-of-the-art" closed circuit television alarm system and computer key card entry system, the security force and alarm systems are now managed by one person in the Court Security Division as a collateral duty.

Witness Security

The nature of criminal cases pending in the judicial system underscores the importance of the witness security program. A number of major drug dealers and organized crime members are currently on or awaiting trial. A few examples demonstrate the important role protected witnesses play in the judicial process, and the security measures required.

On December 26, 1989, Lieutenant Colonel Luis del Sid, Panamanian Defense Force commander, was arraigned in Federal Court in Miami. Del Sid is the purported "number two" man to Manuel Noriega, and the indictment charges cocaine smuggling in the U.S. while del Sid was a commander in the PDF. To date, no protected witnesses are involved, but this Division, as in other extremely high-threat situations, is providing security for court productions.

Two arraignments were held during May 1989 in Los Angeles, for two separate indictments against multi-billionaire Juan Matta-Ballesteros, one of the world's most notorious cocaine traffickers, who is charged with both conspiracy to import and distribute narcotics, and importation and distribution of narcotics. Matta-Ballesteros is the purported successor to Aillica-Falcone, who allegedly runs the largest drug operation in Mexico. Matta-Ballesteros, wanted for questioning in the 1985 murder of DEA Agent Enrique Camerena Salazar, is suspected of involvement in the corruption of Mexican federal police, whom he allegedly has used as "hit men," and for the murder of witnesses in both the United States and Mexico. He is a top-ranking official, possibly the head, of the Communist Party of Honduras. The facilities of the Witness Protection Program will house and produce Matta-Ballesteros for court appearances, although he is not a witness. Trial proceedings for one case began in July, and Ballesteros was convicted on seven counts and sentenced to life without parole. Two protected witnesses provided testimony at the trial. The second trial has been postponed until April 1990.

Twenty-eight defendants were charged in the Southern District of New York with thirty-five counts of narcotics and conspiracy to commit murder. Several defendants arrested in the United States were fugitives from Italy, and two are presently in custody in Italy. These defendants are associates of the Badalmenti/Torretta crime family in Sicily and the Gambino, Colombo, and Luchese families of New York. Three protected witnesses provided testimony at this trial, which received the full range of media coverage, including attention from the international press. Seven defendants are still fugitives, and seven remain to be sentenced. The remaining 14 defendants received sentences totaling 106 years. These convictions should severely damage the narcotics trade between Italy and the United States, known as the "Pizza Connection II."

Since 1970, over 5,800 principal witnesses and over 7,000 family members have entered the Witness Security Program on the recommendations of U.S. Attorneys and/or the approval of the Criminal Division, Department of Justice. In 1989, 1,854 principal witnesses and their families received active protection and funding. The Marshals Service provides these witnesses with around-the-clock protection while they are in threat environments and during their return to danger areas for pre-trial conferences, trials, or other court appearances. In 1989 there were 3,743 production days, an increase of 20 percent over 1988. The Service projects an increase to nearly 4,900 production days in 1991, reflecting the trend of multiple witnesses testifying at trials of long duration. During all of these production days, no witness following the guidelines of the Program has been injured or killed.

In 1989, 185 new witnesses with their family members entered the Program. By 1991 there will be 240 new principal witnesses, a 20 percent increase over the 1990 level. All new entrants require a variety of services, including initial evaluation to determine suitability for the Program, psychological counseling and training in preparation for the changes that must be made, physical and dental examinations, orientation briefings about relocation areas, employment assistance, and personal history documentation to provide witnesses and their families with new identities in safe locations.

There were over 11,000 Program participants (including witnesses and family members) in 1989. By 1991, the Service projects that the cumulative program participation will be at least 12,000 members. When considered alone, the number of new entrants each year does not appear to be a significant workload factor. However, these entrants add to the cumulative total of all participants who have entered the Program since 1970. During the last quarter of 1989, 8,674 services were provided to 908 witnesses. Non-prisoner witnesses and appropriate dependents are moved to other areas under new identities and are provided employment assistance and necessary services to aid them in establishing new lives in their new communities as quickly as possible. Many of these services are not simply single occurrences, but could take many months to complete. For example, job placement services average 17 months.

While a tremendous amount of work occurs during the pre-enrollment and enrollment phases of the program and during actual court proceedings, the bulk of the workload faced by the Witness Security Division and supporting district personnel involves the life-long commitment to all who fulfill their obligations to the Program: providing protection whenever a witness is required to enter a danger area; reactivating witnesses; relocating witnesses whenever a security breach has occurred which could jeopardize the witnesses and their families; providing child visitations; and, offering additional program services that are available to all witnesses and their families. Some of these services are: psychological counseling, vocational guidance and drug rehabilitation assistance, preparation of resumes, letters to potential employment contacts, letters of appreciation, and obtaining, scheduling and preparing for employment interviews.

A new problem for the Witness Security Division is that of "second generation witnesses." Because of the lifetime commitment, program services are now provided to the grown children of those first program participants. The Marshals Service must now obtain additional program services, e.g., documentation for military and college records, for these "second generation witnesses".

In the area of documentation, the Division provides new identities substantiated by authentic documentation. This may include: court-ordered name changes; social security cards; FBI documentation; birth certificates; U.S. passports; immigration papers; school records; medical records; military records; civil and religious certificates; professional licenses; and social security benefits. During 1989 there were 2,298 new personal history documents in addition to numerous documents in various stages of completion. By 1991, the Division expects to complete 2,900 documents, a 26 percent increase over 1989 workload. The completion of personal history documentation to create new identities requires a variety of steps (which can span several years) from the initiation of each document to its completion. Each document is unique as it complies with differing State requirements, restrictions and limitations of other Federal agencies, military policies and procedures, the complexity of the background to be created, and the urgency which may be dictated by security requirements.

In 1989, the Program honored 193 court-ordered requests for child visitations. For 1991, the projection of 240 visits, or an increase of 24 percent from 1989 is realistic. Such visits require difficult coordination, bringing together various family members who are living in different States. Obviously, these visits, involving multiple protectees, require around-the-clock security details and expend a substantial amount of personnel and resources.

In 1989, there were 474 household relocations -- or an average of more than one move for every day of the year. A typical move of household goods involves the production of the witness and/or spouse back to the danger area for several days. Staffing requirements vary as security concerns dictate. In an effort to reduce this danger to the witness and to Marshals Service personnel, the Marshals Service recently has adopted new guidelines providing for the monetary replacement of household goods in lieu of subjecting move participants to threats during the packing, pickup, and shipment of their goods. The Service projects that by 1991 one half of all new principal witnesses will take advantage of this service; and, therefore, no significant workload increase is anticipated in this area.

An additional workload requirement is providing employment assistance to witnesses and their families. The Marshals Service currently funds witnesses for an average of 17 months, and during 1989, expended approximately $9.6 million on subsistence, housing and medical expenses for witnesses (a 28 percent increase over 1988 expenses). In 1989, 878 principal witnesses were funded/maintained, for an average of nearly $11,000 per witness. Obviously, having witnesses become self-sustaining is cost-effective and helps the witness and family to better and more quickly adjust to their new lives in their new communities. Nearly 95 percent of the protected witnesses have criminal backgrounds. Therefore, it is difficult to find employment for them, since their resumes are extremely limited in terms of legitimate prior employment. And, witnesses often require repeated employment assistance. If a witness must be moved because of a breach of security, the employment process begins again. From 1987 to 1989, the number of principal reactivated witnesses increased from 97 to 115, or by 19 percent. By 1991 the Service anticipates reactivating 125 witnesses, or more than ten per month. A reactivated witness is one who has been relocated because of threats or security breaches, or for medical reasons.

As a result of national efforts to combat narcotics activities, 80 percent of the Witness Security workload is drug related, and many of the witnesses are foreign nationals. These people are in the country legally, but have no permanent-resident status for employment purposes. It is increasingly difficult to help them and/or their families find employment. The Service has requested legislative efforts to sponsor a law allowing the Attorney General to grant permanent-resident status to participants in the Witness Security Program. Also, the language barrier is a very real problem. Many witnesses sponsored by the DEA, OCDETF and FBI (which, combined, account for 82.2 percent of total agency sponsorship) are Spanish-speaking foreign nationals, who speak no English. There are fewer than a dozen Witness Security Inspectors located across the country who are fluent in a foreign language. Currently there are 100 active principal witnesses who do not speak any English. Often, the Program must first educate these witnesses before finding employment for them and nearly 150 family members.

The Witness Security Division faces greater challenges as criminal elements, some with their country's treasury at their disposal, become more sophisticated with their boldness, advanced weaponry, and violence. Where once witnesses were protected from loansharks and bookmakers, they are now protected against international terrorists and drug cartels. The degree of threat and violence has escalated. Significant trials are typically characterized by high degrees of threat, media attention, multiple protected witnesses, and extended duration.

For witnesses to remain alive and provide testimony to the Government and the Courts about traditional organized crime, terrorism, narco-terrorism, and other criminal enterprises, and for them to survive the rigors of protected life, they must be prepared. The Witness Security Program provides those services necessary to ensure their continued protection and to translate their testimony into criminal convictions. According to the "Director's Report: A Review of the United States Marshals Service in FY 1988," during 1988 in cases where protected witnesses testified, over 86 percent of the defendants were convicted. Of the 3,891 defendants thus convicted, 3,167 (81 percent) were incarcerated with 89 receiving sentences of either life imprisonment or death. Additionally, 845 forfeitures from these defendants resulted in $34 million in fines to the Government. This Program continues critical support for the successful prosecution of serious criminal cases.

Prisoner Security

In 1989, the Marshals Service received 82,238 individuals charged with violating Federal law, with over 70,000 committed to contract jails. The remainder were housed in Federal institutions. On the average, each prisoner received is produced five times for appearances at detention hearings, trials, other court proceedings, medical care, or transfers between detention facilities. By 1991 the average number of times a prisoner must be produced will increase to seven.

In 1991, the Service will continue to be faced with unprecedented prisoner handling and security requirements generated by Federal emphasis on drug prosecutions as well as the Comprehensive Crime Control (CCCA) and the Sentencing Reform (SRA) Acts. A December 1988 report from the Administrative Office of the U.S. Courts indicates that even one year after the implementation of SRA, only 25 percent of those sentenced were covered by SRA. Therefore, the full impact of SRA (such as increased productions, longer average stay, etc.) may not be realized until 1990-1991.

The 1989 Detention Survey just completed by the Service shows the average daily prisoner load will reach approximately 16,300 in 1991. By 1995, the prisoner population level is expected to reach almost 29,600 with a bedspace shortfall of 20,400 beds. At that rate, the Service's prisoner population level will have grown 714 percent from 1979-1995.

The number of Federal court cities in emergency detention status will increase 137 percent (from 49 in 1989 to 116 in 1995). From 1987-88 the agency expended 18 percent more operational workyears for prisoner productions, and overtime workyears doubled in just a two year period (from 86-88). Based upon an analysis of operational workhours per prisoners in custody, the Service will require an average of 239 workhours per daily prisoner population to support the 16,279 in custody. This would represent a required increase of 20 operational workyears for 1991.

With the rampant increase in drug related arrests, the Federal prisoner's propensity for extreme violence has necessitated unique security steps be taken to ensure safety in the courtroom as well as during transport to and from court. The profound effect this type of criminal has on the detention, production and transportation requirements of the Service is devastating. Deputies are required for special assignment from districts already feeling the crunch of a detention space shortage to support these high risk trials, thereby leaving their own district short-handed. High risk trials held in remote areas of the country which have smaller district staff and jail space resources create additional security problems since most local jails are not equipped to handle the multiple defendants involved with this type of trial nor are the facilities equipped to provide adequate security. The case of the USA v. Jerry Allen Lequire, et al, a recent trial in the Middle District of Alabama, involved 25 defendants who were convicted of narcotics trafficking, murder, etc. The day before the trial, the mother of a key witness was murdered in execution style with automatic weapons. The trial of USA v. Scutari, et al, required some 50 Deputies brought in during proceedings to ensure security for 14 defendants charged with sedition and considered extremely dangerous.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Protection of the Judicial Process............................	1,112	1,143	$86,495	1,211	1,194	$102,315	99	51	$15,820

The Marshals Service requests an increase of **99 positions, 51 workyears and $15,820,000** for the 1991 Protection of the Judicial Process decision unit. This increase will: provide additional support for the field offices and personnel to assure and make available a steady supply of employment opportunities for witnesses; help meet the growth in Judicial Security workload generated by the Administration's efforts to combat drug and terrorist activity; and provide for a comprehensive package to address known requirements for secure prisoner production and improve security systems.

Judicial Security

For 1991 the Marshals Service requests **61 additional positions, 31 workyears, and $3,659,000** to meet a growth in Judicial Security workload generated by the Administration's determined efforts to combat drug and terrorist activity.

This is uncontrollable workload as it is generated, for the most part, by other law enforcement agencies, especially the DEA, FBI, and Customs Service. As these agencies increase their efforts to apprehend and prosecute drug traffickers, the Service must handle an increasing number of lengthy and costly multi-defendant trials. Processing high-threat criminals through the courts takes additional staffing dedicated specifically to these cases. Without additional resources, the Marshals Service will be unable to provide an adequate level of security for these trials.

By the close of 1990, the War on Drugs, the Comprehensive Crime Control Act, the 1988 Anti-Drug Abuse Act, and other initiatives will result in the prosecution of scores of the most dangerous organized crime and drug figures. The severity of this situation cannot be overstated. In 1991, time devoted to criminal proceedings will be about 20 percent above the 1989 level.

In 1989, 331 threats were received, a 55 percent increase above 1988. Likewise, protective details also increased 35 percent above the 1988 level. Due to the recent bombs and threatening letters found in the 11th Judicial Circuit, and the increase in drug proceedings it is expected that threats and protective details will increase significantly in 1990.

Eclipsing the growing number of bench hours is the increase in the number of "high risk" proceedings conducted by the courts. These proceedings require additional personnel in order to provide adequate security for the judiciary, prosecutors, witnesses and defendants.

Personnel resources provided to the 95 U.S. Marshals districts for court security are based on "normal" workload projections for criminal, civil, and magistrate proceedings. It is impossible to predict where the "high risk" trials are going to take place. The Marshals Service addresses the location problem through our Special Assignment System, to provide "out-of-district" personnel on a temporary basis. This system has worked well in the past, but the extraordinary increases in "high risk" proceedings have exhausted staff which could be safely diverted from other districts. For example, the average weekly out-of-district staffing for 1987 was 52; in 1988 the figures doubled to 104. By September 1, 1989, the average had reached 127 and will reach 145 in 1991. Without relief from this problem, the Service faces the possibility of having to prioritize the protection it provides to the judicial process.

Historically, "high risk" proceedings could be handled by augmenting a district's resources with a handful of Deputies for a period of two to three weeks. This is no longer true. Defendants such as Los Macheteros, the United Freedom Front, White supremacist organizations and drug lords have organizations with national and international ties. They present security risks never experienced before, and the complexity of their cases creates trials which last as long as 12 months. In fact, two security details involving individuals from international organizations have consumed 50 personnel per detail at different times during this past year. To address the increased need to "Special Assign" deputies to high-threat situations, **12 positions, 6 workyears and $766,000** are requested.

These groups present such a critical risk that the Service has deployed the Special Operations Group (SOG) to assist with certain proceedings. SOG has traditionally activated its highly-trained, rapid-response Teams only in instances of national significance. In today's violence-filled environment, however, their expertise is often needed to guarantee adequate security at judicial proceedings.

An additional **38 Deputy U.S. Marshals, 19 workyears and $2,425,000** are needed to address the increase of drug-related cases, especially those resulting from the passage of the 1988 Anti-Drug Abuse Act. The Administrative Office of the United States Courts reported in 1988 that, "...cases involving all drug-related offenses rose by 16 percent..." They noted this increase prior to the passage of the 1988 Anti-Drug Abuse Act. Today, about 60 percent of all criminal proceedings stem from drug related charges.

In guaranteeing the security and integrity of the judicial system the Marshals Service must assure that our own employees meet appropriate standards since they have access to virtually every phase of the judicial process including the judiciary, juries, witnesses and evidence. Therefore, steps must be taken to assure that all those placed in such positions are worthy of trust.

In April 1989, all resources of the Office of Internal Security (OIS) were transferred to the newly created Office of Inspector General in implementation of the Inspector General Act. Responsibility for the personnel security program of the Marshals Service remained with OIS, without the resources required to initiate and adjudicate background investigations for all Marshals Service employees and certain contractors. A Departmental audit in February 1989 cited the need to address a backlog of employees in sensitive positions with no background investigations. In addition, approximately 600 employees holding security clearances for access to classified national security information have not had their required update investigation within the last five years, and approximately 1,200 other employees who occupy sensitive positions and routinely access extremely sensitive law enforcement information have not had an update investigation during the last five years. All of the above investigations are required by statute, executive order, and OPM and DOJ regulations.

Ten positions, five workyears and $423,000 for seven security specialist and three administrative support positions, to begin to conduct 1,042 background investigations on new employees and employees who have never had an investigation, and 1,800 update investigations on employees whose investigations are over five years old are requested. These resources will accomplish approximately 11.7 percent of the required initial and update investigations, and initial investigations on 52.6 percent of the 253 new positions requested in the 1991 budget.

In light of the fact that the Threat Analysis Division is already facing a backlog in connection with threats involving drug cases and is projecting a 500 percent increase in workload in this area by 1991, an increase of **one position, one workyear and $45,000** for one Intelligence Research Specialist is requested. These resources will be used to improve provision of current, accurate, complete and timely information to Marshals Service field offices regarding on-going or anticipated threat situations. The additional staff is needed to receive, analyze, promptly assess and disseminate information without which Marshals Service personnel face further risk while dealing with dangerous individuals.

Witness Security

For 1991, the Marshals Service requests an increase of **eight positions, five workyears and $268,000** for the Witness Security program.

To be successful in the War on Drugs, the government must sustain the Witness Security Program and encourage additional witnesses to testify against alleged drug traffickers and other criminal leaders by fulfilling its commitment to provide security and a safe transition to life under new identities. Given the fact that in 1989 protected witnesses made over 3,700 court appearances during the prosecution of the likes of Matta-Ballesteros, the Medellin cartel and similar narco/terrorist groups, the need for this Program is clearly apparent.

This request includes **one position, one workyear and $45,000** for an employment specialist to assist in what continues to be one of the program's greatest problems -- the employment of witnesses. Currently, the Program averages 17 months of funding per witness. The sooner witnesses become self-sustaining, the greater the savings to the Program. Therefore, as a cost-effective measure the Service plans to establish an employment support unit at the Safesite and Orientation Center. This unit will act in concert with the East Coast Employment Specialist and Regional Supervisors to assure and make available a steady supply of employment opportunities for program participants. And, an increase of **one position, one workyear and $45,000** is requested for one Resource Analyst for the staff of the Witness Security Division to support the case manager positions in the orderly construction of new identities for witnesses and family members.

Nearly 95 percent of the protected witnesses have criminal backgrounds, making employment opportunities extremely unlikely; and the language barrier is an additional problem. Some witnesses require employment assistance many times;

there were 97 reactivated principal witnesses in 1987, 109 in 1988, and 115 in 1989. All of these factors have built a workload which requires additional resources.

The Witness Security Division requests an additional **six positions, three workyears and $178,000** which will be dedicated to field support. **Two** WITSEC Assistants and $72,000 will be used at the Safesite and Orientation Center to assist the increased number of Inspectors working there and to perform the heavy volume of administrative work generated. Currently, there are 28 operational positions, but only one administrative position at that location. The site is open 24-hours per day, seven days per week, and operates with four overlapping operational shifts. The additional presence of administrative support is required not only to help with the backlog of work, but to be available for regularly scheduled evening and weekend duty. **Four** additional Witsec Assistants will be placed throughout the Division to provide administrative support to regions experiencing heavy workload caused by an increase in relocated witnesses.

Prisoner Security

To meet anticipated 1991 needs, the Marshals Service requests **30 positions, 15 workyears and $11,893,000** for a comprehensive package to address known requirements for prisoner court-room security and improve security systems.

In 1991, the Marshals Service will continue to be faced with providing increased security for prisoners' trials in the courtroom. Arrests made in support of anti-drug and organized crime initiatives, and the implementation of the Immigration Control and Reform Act give the Marshals Service custody of the most dangerous types of offender. The scope of involvement, the resources at the criminals' disposal, and their proven willingness to do whatever is necessary to disrupt proceedings underscore the need for greatly improved physical and building security, as well as prompt and secure prisoner transportation. As the full impact of SRA is felt, prisoners will be more prone to violence and will require more secure escort as the potential for plea bargaining is eliminated and mandatory sentencing is applied.

Not only is there a critical need for adequate holding facilities, prisoner production and transportation requirements also present new demands for added safety. In 1991, prisoner productions will rise to 600,000, double the 1987 level. Many organized crime and drug cartel figures must be produced dozens of times for bond hearings, pre-trial motions, and actual trial proceedings. The impact of the Sentencing Reform Act is already generating significant workload increase in this vital judicial support function, and based on AOUSC data, has had an impact on only 25 percent of the prisoners sentenced as of February, 1989. Addressing security requirements of such multiple productions requires **30 positions, 15 workyears and $1,914,000 in 1991**.

Given the multiple-defendant drug and terrorist trials and the prisoners' known capacity for violence, simple ratios of one Deputy per prisoner no longer apply. Only visible courtroom security will ensure tranquility of the court.

Marshals Service personnel are responsible for responding to duress alarms activated by court personnel as well as the overall security of the courthouse and prisoner areas. Alarms and Closed Circuit Television (CCTV) monitors are consolidated in a central location monitored by Service personnel or contract guards. The Court Security Division contracts, on a nationwide basis, for security systems installation and maintenance for Court Security related systems. The Marshals Service Facilities Branch has contracted with GSA and various security vendors for systems installation and maintenance. However, methods of procuring and maintenance are different for similar pieces of equipment housed in the same security console, and there have been difficulties in coordinating systems maintenance and component replacement. In order to correct this problem and provide compatible equipment and maintenance services to field offices, the Facilities Branch is negotiating with the current vendor on Court Security's nationwide contract to procure and maintain security equipment. These prices have been negotiated with Mosler, the current vendor, and they have agreed to continue the same price structure for both Court Security and Prisoner handling related security equipment. This will result in an estimated increase of $1,007,000 for systems maintenance and for systems procurement and installation.

Given the demonstrated inadequacy of physical/structural security found in most courthouses as well as the increasing numbers and types of dangerous trials, the Marshals Service needs $8,972,000 to repair and construct courtroom holding cells, construct secure passageways to transport prisoners within courthouses and construct a prisoner elevator in Foley Square, New York. Currently, in many areas prisoners must be moved through corridors and on elevators used by court personnel and the general public. Given the type of prisoner coming into our custody and the increased threats against judicial officers, these security problems must be addressed. The Service currently has 57 courtroom holding cells in need of major repair, and 232 new courtroom holding cells to be constructed. Of the requested funding, $3,972,000 would remain in the base allowing the Service to complete all these projects over a three year period.

The $5,000,000 requested to fund the construction of a prisoner elevator in Foley Square, New York is a one-time expense and would correct a situation in which dangerous prisoners are transported on public elevators with judges and the general public. Although new construction, such as courtroom holding cells, prisoner elevators, prisoner stairwells, and secure corridors should be the responsibility of the General Services Administration, in this instance, as in many others, GSA is unable to construct these facilities without reimbursement from client agencies, citing lack of funding.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Prisoner Transportation and Detention.....	560	552	$39,520	560	606	$41,686	609	630	$54,950	49	24	$13,264

Long-Range Goal: To ensure expeditious and secure custody and transportation of Federal Prisoners and to acquire sufficient and acceptable detention space for Federal prisoners in non-Federal facilities.

Major Objectives:

To expand the National Prisoner Transportation System (NPTS) capabilities to further reduce costs and increase services to other Federal agencies on a reimbursable basis.

To reduce staff time, travel costs and jail expenses associated with the transportation of prisoners by improving scheduling and processing techniques and maximizing the use of mass transportation systems.

To maintain an automated prisoner management information system monitoring Federal prisoner populations and reducing transportation expenses.

To develop and implement the Prisoner Automated Scheduling System (PASS) for moving Federal prisoners.

To ensure that prisoner detention cells in U.S. Marshals Service district offices meet minimum national standards for safety, health and security.

To inspect jails for compliance with Federal, State and local detention standards and to assist in designing and implementing improvements to conditions of confinement, thus reducing adverse court orders and inmate litigation.

To administer the Intergovernmental Service Agreement, the Cooperative Agreement, and the Federal Excess Property Programs to obtain adequate detention space in Federal Court cities.

To receive and produce all prisoners in accordance with court calendars.

Base Program Description: This program supports the Federal judicial system through the timely receipt, administrative processing, and production for judicial proceedings of all prisoners in Marshals Service custody; the transportation and movement of Federal prisoners within district and via the NPTS; and the supervision of unsentenced prisoners. Individuals arrested or detained for violation of Federal statutes are remanded to the custody of the Marshals Service. Federal prisoners are transported and moved within and between districts for observation, and service of sentence. Short-distance prisoner moves are completed by district personnel using government vehicles. Long-distance prisoner moves are done via the NPTS, which includes aircraft, as well as supporting bus, van and small plane feeder systems.

The Marshals Service also has the responsibility for acquiring detention space for unsentenced Federal prisoners and administering the Cooperative Agreement and Federal Excess Property programs. These programs were specifically designed to improve the level of inmate services, halt the loss of jail space, and obtain guaranteed space for prisoners in Federal court cities.

Accomplishments and Workload: Accomplishments of the Prisoner Transportation and Detention program are presented in the following table.

			Estimates	
Item	1988	1989	1990	1991
Total Number of Prisoners Moved...............	113,015*	129,576	142,266	159,497
Number of Prisoner Moves Via NPTS.............	92,500*	107,064	120,768	136,226

			Estimates	
Item	1988	1989	1990	1991
Number of Support Movements to NPTS	13,233	14,175	15,989	18,036
Number of In-District Prisoner Movements	20,515	22,512	24,492	26,647
Number of Trips Required	7,645*	8,199	9,249	10,432
Average Daily Prisoner Population	8,857	11,740	13,916	16,279
Average Number Workyears Per Daily Prisoner Population	193	201	219	239
Prisoners Produced for Trials	136,476	181,105	213,110	251,469
All Other Prisoner Productions	242,624	260,614	306,671	361,872
Total Prisoner Productions Accomplished	379,100*	441,719	519,781	613,341

			Estimates	
Item	1988	1989	1990	1991
Facilities Under IGA	835*	845	855	875
Jail Inspections Conducted	575	600	600	800
Percent of Jail Inspections Required Completed	54%	55%	54%	70%
IGA Awards	212	180	200	200
IGA Backlog	90	110	120	120
USMS Prisoner Detention Area Renovated	19*	20	20	34

* Figure changed because final numbers were not available at the time of the 1990 Congressional.

National Prisoner Transportation System

While workyears devoted to in-district movement of prisoners continue to increase due to factors beyond the Service's control, NPTS continues to make improvements. For the period 1979 to 1989, NPTS prisoner movements increased 241 percent (from 31,407 in 1979 to 107,064 in 1989) while escorting-deputy workyears used decreased by 54 percent (from 274 in 1979 to 125 in 1988). In order to accommodate the tremendous growth in the prisoner population, NPTS has developed and implemented plans that will satisfy these growing transportation requirements. In 1988, the Service made improvements in scheduling and deployed a second large aircraft to continue to meet the increased demands for this service. This second large aircraft expands airlift service to 16 additional cities, for a total of 36 major cities now served by NPTS.

In 1990, NPTS began air service to more remote areas through the assignment of Sabreliner jet aircrafts at satellite locations. NPTS also serves the Bureau of Prisons, Immigration and Naturalization Service, State and local governments, and the U.S. military (Army/Air Force). Negotiations are in process with the U.S. Navy for transportation of their prisoners through the NPTS.

NPTS is now one of the most valuable resources available to the law enforcement community. Not only does it transport large numbers of dangerous prisoners safely and within court-ordered deadlines, it does so at a fraction of the commercial cost. The 1989 cost per-prisoner-moved via the USMS airlift was $250, less than half the cost of commercial air. NPTS also plays a significant role in the war on drugs by providing air support for extradition of major drug crime figures to the United States. During the past year, the Prisoner Transportation Division has provided air transportation for 10 such extraditions. Additionally, NPTS provided air support during the Hurricane Hugo crisis by transporting manpower and supplies to and from the Virgin Islands.

In-District Transportation

In 1989, the Marshals Service received 87,600 individuals charged with violations of Federal law, with over 70,000 committed to contract jails and the remainder were housed in Federal institutions. On the average, each prisoner received is produced five times for detention hearings, trials, other court proceedings, medical care, or transfers between detention facilities. By 1991, the average number of times a prisoner must be produced will increase to seven.

The Service will continue to be faced with an unprecedented prisoner population and security requirements generated by Federal emphasis on drug prosecutions as well as the Comprehensive Crime Control (CCA) and the Sentencing Reform (SRA) Acts. A recent report from the Office of the Administrative Courts indicates that one year after the implementation of SRA, only 25 percent of prisoners sentenced were covered by SRA. Therefore, the full impact of SRA on increased productions and a longer average stay of prisoners may not be realized until 1990-1991.

In view of the increasing prisoner population and the jailspace shortfall projected, the requirements to move Federal prisoners will continue to grow. Additional operational workyears will be required to transport prisoners from jail to court and back for scheduled proceedings. In 1987 the Marshals Service was required to produce fewer than 300,000 prisoners; this year the number exceeded 441,000, and in 1991 over 600,000. In Oregon, Deputies travel as far as 30 miles from the Canadian border (a 600 mile round trip) to house prisoners. In Rhode Island, the Marshal sends prisoners to Otisville, New York (140 miles one-way) for lack of closer available space and in Vermont, Deputies travel 80 miles away to house prisoners.

Due to the shortage of jail space in the Northeastern United States, the Eastern District of Pennsylvania (Philadelphia) has been forced to transport prisoners on a daily basis to FCI Otisville, New York (approximately 360 miles round trip). This causes an undue burden on Prisoner Transportation Division resources. Out of district Deputy U.S. Marshals have been temporarily assigned to the Eastern District of Pennsylvania for the purpose of completing these prisoner trips, which in turn causes excessive travel, overtime, and per diem expenses.

Prisoner Detention

An audit conducted by the Department of Justice in February 1989, found the Service to be deficient in its completion of essential jail inspections. At the time of the audit, 79 percent of the required inspections were overdue. In 1989, the Service expended 34 operational workyears in support of this function. In order to ensure increased jail inspections and compliance, additional resources are needed. As it presently stands, efforts to review and inspect jail space are severely limited. Under present resource constraints, about half the necessary jail inspections are accomplished.

Producing prisoners in accordance with court calendars requires adequate detention space near Federal court cities. The dramatic growth in the average daily prisoner population (almost 6,400 new prisoners per day since 1984) generated by the Comprehensive Crime Control Act, Sentencing Reform Act, the Organized Crime Drug Enforcement Program, and recent anti-drug initiatives has significantly increased the level of deputy resources required for prisoner security as less jail space is available due to the national detention space crisis. To reassess the extent of the Federal short-term detention space crisis and to develop a plan to accommodate projected prisoner load growth levels for the next five years, the Service updated a national detention space survey of all Federal court cities in March 1989. The U.S. Marshal from each of the 95 districts provided estimated average daily prisoner population levels (for 1989-1995), resultant bed space shortfalls, assessments of each city's detention situation, and recommended solutions to the bed space shortages. In all, a total of 271 Federal court cities were covered in this survey.

As expected, the results again substantiated the Service's position that the Federal Government must take immediate action to resolve the Federal short-term detention space crisis. The estimated cost for the agency's latest USMS' 5-year Plan proposed is approximately $1.2 billion for 19,816 beds at an average cost of $61,277 a bed. By 1995, the Marshals Service daily prisoner load is projected to reach 29,581, more than four times the 1986 level. Of the 271 cities surveyed, 182 (67 percent) either had, or expect serious detention shortages by 1995. As of August 31, 1989 Bureau of Prisons (BOP) facilities housing Marshals Service prisoners are filled approximately 72 percent beyond rated capacity, compared to 63 percent over capacity nationwide. In 1989, 49 cities (where 40 percent of the prisoner load was housed) were in an emergency status. The Marshals Service defines emergency status as primary jail space exhausted or terminated. By 1995, this count is projected to increase to 116 cities, a shortfall of approximately 17,359 beds.

As a result of the worsening jail crisis, the Service must expend an increasing level of resources moving prisoners long distances (and incurring NPTS trip costs) to find adequate jail space. A study conducted in April, 1989, revealed that a total of 82 operational workyears were expended for these type trips at an estimated cost of $6.8 million to the Service. In view of the increasing prisoner population and the jailspace shortfall projected, it is anticipated these requirements will continue to grow and additional operational workyears will be required. This will mandate expanded use of the NPTS for these types of productions. It is clear that the continued dramatic growth in the Service's average daily prisoner population, as well as prisoner production requirements, provides justification for the resource increases requested. Unless sufficient additional resources are provided for this essential function and the revised USMS Five Year Detention Plan is funded fully, Federal court cities may not be able to function efficiently, and the Federal judicial system may be severely disrupted.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Prisoner Transportation and Detention................................	560	606	$41,686	606	630	$54,950	49	24	$13,264

The Marshals Service requests a net increase of 49 positions, 24 workyears and $13,264,000 for the 1991 Prisoner Transportation and Detention decision unit. This increase will provide necessary operational support to keep up with an ever-increasing prisoner production workload, ensure safe prisoner movement and provide for renovation of prisoner detention areas. Also included in this request is a reduction of six positions, six workyears and $36,000 due to A-76 management and productivity improvements.

National Prisoner Transportation

By 1991, the Marshals Service will continue to be faced with unprecedented prisoner receipt, process, production, and transportation demands, and a soaring average daily prisoner population. As more and more alleged drug and organized crime figures are apprehended, added reliance will be placed on the NPTS. Moves via NPTS will climb 27 percent from 107,064 in 1989 to 136,226 in 1991. This dramatic growth in movements, coupled with the rapid construction of new prison facilities located in remote less populated areas and the critical jail space shortage that forces a greater number of prisoners to be transported long distances for temporary housing, mandates a greater expansion of NPTS in order to continue basic transportation services. As a result of this expanded workload, the Service has initiated satellite air operations, transportation specialists units and strategically located air hubs, similar to commercial airline carriers. Because NPTS is required to service all U.S. locations, the satellite operations will be used as a feeder system to larger 727 jets. In order to expand operation of the Service-owned aircraft to support the increased prisoner transportation workload an increase of 6 positions 3 workyears and $203,000 is requested.

In-District Transportation

42 positions 24 workyears and $8,773,000 are requested for In-District-Transportation requirements associated with the growth in prisoner productions (up to 600,000 in 1991), and receipt and processing requirements.

In 1991, the Service's aged inventory of vehicles will be well beyond their useful life, but still used to transport prisoners long distances each day. The Service must replace 320 high-mileage 1988 model year sedans in 1991. They must be purchased outright because lease-to-purchase arrangements are no longer allowed under Administration policy. There is an urgent need for more over-the-road prisoner buses, which might be purchased through an existing INS or BOP contract, and passenger prisoner vans.

42 positions $2,691,000 - 42 Deputy U.S. Marshals for transporting, receiving and processing prisoners.
$6,082,000 - for 320 sedans, 3 prisoner buses and 30 prisoner vans.

Prisoner Detention

7 positions, 3 workyears and $447,000 are needed to perform on-site jail inspections in order to comply with an audit conducted by the Department of Justice in February 1989, which found the Service to be deficient in its completion of essential jail inspections. At the time of the audit 79 percent of the required jail inspections were overdue. In 1989, the Service expended 34 operational workyears for jail inspections and in order to ensure compliance, the additional 10 Deputy U.S. Marshal positions are needed.

An increase of $3,877,000 is needed to renovate and construct U.S. Marshals Service detention cells and cellblocks. During a recent facility survey and as a result of internal reports, it was discovered that many Marshals Service detention areas do not meet minimum Federal standards and contain definite safety and security violations. Arrests made in support of anti-drug and organized crime initiatives, and the implementation of the Immigration Control and Reform Act give the Marshals Service custody of the most dangerous types of offenders. The scope of involvement, the resources at the criminals' disposal, and their proven willingness to do whatever is necessary to disrupt the judicial process underscores the urgency for greatly improved detention facilities. There are currently 38 locations that require either complete or partial renovation of prisoner detention cells, and related space. The requested funding will allow the Service to complete a third of these renovations in 1991. The remaining projects could be completed during 1992 and 1993 as the requested funds are expected to remain in the Marshals Service base.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Fugitive Apprehension..	671	611	$47,870	671	686	$50,494	584	594	$45,094	-87	-92	-5,400

Long-Range Goal: To conduct investigations to apprehend fugitive felons domestically and internationally and to assist other agencies and foreign governments in fugitive investigations and apprehensions.

Major Objectives:

To reduce the number of dangerous fugitive felons through special investigative techniques, task forces and through continued emphasis on the apprehension and prosecution of the most serious offenders and those offenders contributing to the drug crisis.

To further the apprehension of fugitives located outside the United States through the establishment of stronger international law enforcement ties.

To continue to respond to State and local governments in fugitive matters in the form of individual investigative assistance, task force operations, emergency assistance and training.

Base Program Description: The Marshals Service is the "warrant squad" in the Federal sector - the only Federal agency primarily responsible for the apprehension of fugitives from justice, i.e., escapees, bail jumpers, parole and probation violators and others. The federal courts will issue approximately 18,600 new felony fugitive warrants in 1991, 65 percent drug related, in addition to over 30,000 new misdemeanor warrants. This new workload will add to the already high number of fugitive cases, an estimated 13,000, carried over from previous years.

The Marshals Service continues to focus its limited resources on the most serious offenders.

In August 1988, the Attorney General, responding to the drug crisis, the burgeoning workload of the Drug Enforcement Administration (DEA) and the growing number of drug fugitives, gave investigative and apprehension responsibility for most DEA fugitive cases to the Marshals Service. During 1989, the Marshals Service received approximately 11,000 fugitive investigations from the DEA with an additional 3,500 in 1990 and 4,000 in 1991. Already the Marshals Service has demonstrated unmatched effectiveness in this area in its Warrant Apprehension and Narcotics Team (WANT) operations. WANT is designed to focus on narcotics fugitives and is expected to make a sizeable contribution to the War on Drugs through diligent efforts on these cases.

Fugitives from justice, especially those connected with the drug trade, frequently find refuge in foreign countries. The Marshals Service uses its membership at Interpol to refer many U.S. fugitive cases for investigation in other countries. The Service also has increased its direct contact with foreign counterparts to yield many positive results.

The Service continues to increase the use of technology and special methods in fugitive investigations, i.e., electronic surveillance, special task forces targeting one or more major fugitives, and the use of automated information systems.

The profile of the federal fugitive population is changing rapidly. In 1985, approximately 35 percent of the fugitive felons sought by the Marshals Service investigators were charged with or convicted of illegal drug activity. By the end of 1989, that percentage will rise to over 60 percent, more evidence of the growing drug crisis in this country. Many of these fugitives have extensive criminal histories and continue to commit crimes involving drugs and violence.

29-646 O—90—28

Accomplishments and Workload: Accomplishments of the Fugitive Apprehension program are presented in the following table.

Item	1988	1989	Estimates 1990	Estimates 1991
Primary Felony Warrant Activity				
On hand beginning of year	9,845	10,580/1	15,946	14,996
New warrants received	12,209	13,289	13,600	14,200
percentage drug related	53	55	60	65
New DEA fugitive warrants rec'd	...	10,983	8,000	8,000
percentage drug related	...	100	100	100
USMS arrests	7,422	10,632	12,980	13,040
Administrative clears	3,289	4,798	5,870	5,880
Other agency arrests	447	3,476	3,700	3,700
On hand end of year	10,896	15,946	14,996	14,576
percentage drug related	53	63	64	65
Other Felony Warrant Activity				
USMS arrests	7,073	5,823	5,000	5,000
Administrative clears	3,595	5,879	3,600	3,600
Misdemeanor Warrant Activity 2/				
Caseload	66,442	68,747	66,000	66,000
USMS arrests/admin clears	32,493	26,617	33,000	33,000
International Activities				
International cases to be investigated	449	2,429	3,252	3,751
Investigations conducted	449	763	763	3,000
International extraditions	194	245	282	323
Special international extraditions	n/a	n/a	n/a	50
Interpol investigation workload	2,800	4,600	5,060	5,600
Investigations conducted	2,800	2,800	2,800	4,480
EPIC investigations workload	13,200	16,500	20,625	25,781
Investigations conducted	13,200	13,200	13,200	20,625

1/ Number of warrants on hand at beginning of 1989 differ from those on hand at end of 1988 due to discrepancy in field reports.

2/ Figure changed because final numbers were not available at the time of the 1990 Congressional.

Marshals Service investigators continue to produce an impressive number of arrests each year. But, even with an outstanding arrest and clearance record, the backlog of cases has increased steadily. In 1988, the Service had 9,845 primary warrants on hand at the beginning of the year. At the present rate of increase, over 13,000 primary warrants will be on hand at the beginning of 1991, and those warrants which are drug-related will constitute 65 percent of the new primary warrant caseload.

Since the establishment of the "15 Most Wanted" program the Marshals Service has made great strides in the arrest of those individuals. To date, 84 individuals have been cleared from the list, with the majority, 60, having been arrested by the Service or in conjunction with other law enforcement agencies. Among those arrested this year was Vernon Earle, an escapee from the Lorton Reformatory who was serving 65 years to life for murder. Earle is a member of the Jamaican Organized Crime Group, Shower Possee. William Harold Parker, an escapee from the Federal Correctional Institution(FCI) Talladega, Alabama was also arrested. Parker was serving 15 years for kidnapping and was arrested with two other federal fugitives. Other major fugitive cases include Robert Alan Litchfield, an escapee from the U.S. Penitentiary, Leavenworth, Kansas. Litchfield was serving 140 years for armed bank robberies and prior escapes.

Automated information systems play a significant role in law enforcement today, and the Marshals Service is capitalizing on this technology. The International Case Tracking System, updated in 1989, has streamlined the processing of new and existing cases and monitors the activity of open international investigations. Through the El Paso Intelligence Center (EPIC) lookouts, State Department passport and visa lookouts, and Interpol, fugitives are monitored as they move from country to country. An example of these system capabilities is the arrest of Deborah Troxell in New York. Ms. Troxell was wanted in Illinois and fled the United States after pleading guilty to charges of distribution of cocaine. Information developed during the investigation revealed that she was possibly en route to Libya. Lookouts were placed with Interpol Washington and State Department. Interpol Libya responded that she had entered their country and was expelled to Italy as an undesirable. Ms. Troxell was arrested entering the United States at JFK airport as a result of these lookouts.
The Marshals Service also handles the majority of international investigation requests to locate fugitives on behalf of foreign governments. These requests are referred by Interpol, the Office of International Affairs, or directly by the requesting country. In 1989, 374 cases were opened. Of these, 43 fugitives have been arrested, 35 located and 63 administratively cleared. Presently, there are 626 open and active international investigations. Among these is the arrest in San Francisco of Michael Herman Kortmann, an executive of a leasing corporation in Germany who made large transfers of money to Switzerland through the United Kingdom by providing fictitious invoices from 1983 through 1987. Marshals Service investigators stayed one step behind him as they tracked his movements back and forth across the United States. They arrested Kortmann in California after outwitting him with a well orchestrated ruse in conjunction with his bank.

Through exposure during international extraditions and special task force investigations, Marshals Service investigators have developed invaluable foreign law enforcement contacts which have resulted in the successful location and return of U.S. fugitives. A notable arrest made in the Dominican Republic was that of Ralph Staino, wanted in Pennsylvania for narcotic and RICO violations. Marshals Service investigators were invited to the Dominican Republic to assist in the identification, apprehension and subsequent deportation of Staino.

The Service opened 245 international extraditions in 1989 and has primary responsibility for the extradition of Colombian nationals wanted in the U.S. for drug-related crimes. Between October and December of 1989, 11 Colombians have been extradited by USMS personnel and aircraft. Jose Raphael Abello-Silva, a Colombian attorney indicted in Tulsa, Oklahoma, two years ago for the trafficking of over 1,700 pounds of cocaine and 6,200 pounds of marijuana, was transported from Bogota to Tulsa on October 29, 1989. His arrest and extradition represented a significant step in the Federal drug offensive.

The most recent Colombian to be extradited is Victor Eduardo Mera-Mosquera. Mera-Mosquera, a leader of a major cocaine trafficking ring, was convicted in New York City under the drug kingpin statute and is awaiting sentence on multiple cocaine offenses. He was extradited on December 23, 1989. Such extraditions require stringent security measures as evidenced by the use of USMS aircraft, military aircraft and private charter jets to remove high-profile fugitives. One such removal was that of Francisco Caro, wanted in San Diego for numerous drug charges and questioning in the torture-killing of DEA Agent Enrique Camarena. Francisco Caro is the cousin and right-hand man of Caro Quintero, head of one of the three top Mexican drug cartels. Information developed prior to the removal indicated that the cartel may attempt to rescue him during transport back to the United States, so the Marshals Service King Air aircraft was utilized for the removal.

With the ratification of new treaties and improved diplomatic relations, the United States will have continued success in the extradition of foreign nationals. The number of felons at-large, however, continues to grow at an alarming rate. There will be over 13,000 felony warrants on-hand at the beginning of the year (the backlog of felony fugitive cases) in 1991. Most will be drug-related, emphasizing both the continuing nature of the drug problem and its long-term effects.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Fugitive Apprehension........................	671	686	$50,494	584	594	$45,094	-87	-92	-$5,400

A program decrease of 87 positions, 92 workyears and $5,400,000 is requested based on an anticipated decline in the backlog of primary felony warrants.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Seized Assets Management........	240	230	$14,203	240	230	$14,981	374	297	$21,220	134	67	$6,239

Long Range Goal: To seize the assets and proceeds of criminals for forfeiture to the government.

Major Objectives:

o seize, inventory, safeguard, preserve the value of, and dispose of, targeted assets in a timely and appropriate manner.

To ensure sound pre-seizure planning, so that liability assets are not seized inadvertently and seizures are carried out effectively and at minimal cost.

Base Program Description: This program ensures that court-ordered seizures, restraining orders, and trustee arrangements are carried out effectively, and that the Department of Justice's asset seizure and forfeiture initiative is supported by effective management of property, information, and financial services. Marshals Service personnel execute court orders, initiate property management and disposal contracts, and administer the Assets Forfeiture Fund. Beyond the efforts required to secure, inventory, appraise, store, and manage properties, the Marshals Service participates in extensive pre-seizure planning with investigative and prosecutive agents, and the courts. Departmental pre-seizure guidelines emphasize that the investigative agency and U.S. Attorney exercise care in establishing the scope of the planned seizure, and that a comprehensive plan be prepared, so that post-seizure management problems are minimized.

Accomplishments and Workload: Accomplishments of the Seized Asset Management Program are presented in the following table.

Item	1988	1989	Estimates 1990	 1991
Total properties seized........................	21,809	25,363	37,440	48,672
Properties in custody (End of year)............	17,528	26,334	39,438	39,713
Forfeited property sold........................	5,586	6,309	7,600	19,000
Equitable sharing transfers....................	8,203	11,730	12,300	19,468

U.S. Marshals seize property when directed by a Federal Court and take custody of all non-evidentiary seized cash and all real and tangible property seized by the FBI, DEA, and INS, except for properties selected for placement into official use after forfeiture to the Government. U.S. Marshals also manage property targeted for forfeiture in judicial forfeiture actions originating with non-Justice investigations, e.g., IRS money-laundering investigations and U.S. Postal Service anti-pornography RICO investigations.

Disposal of forfeited property includes sale, return to lienholders, retention for official use by Federal agencies, and transfer to state and local law enforcement agencies under the Attorney General's equitable sharing authority. In most task force cases resulting in property forfeitures, property is sold and proceeds are distributed to state and local law enforcement agencies. The equitable sharing program, which has been an extremely effective factor in generating and rewarding cooperative efforts in the war against drugs, has also resulted during the past five years in a brand new and rapidly growing workload for U.S. Marshals.

The Marshals Service seized nearly twice as many properties in 1988 as in 1987 and experienced an additional 16% increase in 1989. Seizures will likely double again by 1991, from 25,363 in 1989 to almost 50,000 in 1991. That is more than thirteen times the number of seizures by the Marshals Service in 1986, with no corresponding increase in resources to carry out seized asset program management responsibilities.

In 1985, the U.S. Marshals were in custody of about 400 parcels of real property. In 1989, Marshals were managing more than 2,700 parcels. Without additional resources, these properties cannot be protected and maintained adequately, and cannot be disposed of quickly.

Real property and business seizures, which account for a third of all seizures, are always significantly more complex to seize and manage than seized cash, conveyances and other personal property. The Marshals Service tries to ensure that investigating agencies and U.S. Attorneys are aware of, and act to avoid or minimize, post-seizure problems at the preseizure stage. Nevertheless, post-seizure problems abound because of the nature of the property seized, the availability of high-priced defense attorneys, and the sensitive or notorious nature of related criminal cases. The Marshals Service is the agency responsible for fixing whatever problems were not or could not be avoided.

The challenges and problems associated with real property and businesses are multiplied and magnified in multi-jurisdictional cases. A recently concluded OCDE operation (Operation Polarcap) is a national operation targeting assets from New York to Los Angeles acquired through sophisticated money laundering schemes. This requires the coordination of U.S. Attorneys, OCDE task force members, and U.S. Marshals in New York, Chicago and Los Angeles. Through October 1989, over $105,100,000 worth of assets have been seized as a result of this operation, including ten jewelry businesses and a ten story office building. These properties must be inventoried, their condition documented, and lienholder interests investigated. All of these activities are very time-consuming in even the most straightforward seizures.

Over the past two years in the Southern District of California alone, 34 vehicle sales have been held, accounting for the disposal of 5,973 vehicles. Their net profit has totaled a little more than $5.3 million. Most of the vehicles are low value cars seized by the INS. Yet, the Marshals Service has realized an average "profit" of $897 on each of these vehicles.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Seized Asset Management.......................	240	230	$14,981	374	297	$21,220	134	67	$6,239

The Marshal Service requests an increase of 134 positions, 67 workyears and $6,239,000 for the Seized Asset Management decision unit to meet its increased workload in property management, contracting and information analysis, and the operational area resulting from the high volume of seizure activities.

The 1988 Anti-Drug Abuse Act authorized the transfer of $30 million from the Assets Forfeiture Fund to the Executive Office of U.S. Attorney's for the hiring of 175 Assistant United States Attorneys to prosecute forfeiture cases. Further, the President's 1990 Anti-Crime initiative calls for an additional 800 Assistant U.S. Attorneys to prosecute criminal cases. As these new attorneys are hired and become proficient in applying the forfeiture provisions, the number of assets targeted for judicial forfeiture will certainly increase significantly. The FBI and DEA have also created Asset Removal Teams nationwide. As a result, the U.S. Marshals Service has experienced extreme increases in workload over the last four fiscal years, and anticipates substantial additional workload increases in the coming fiscal years.

This program was established in the Marshals Service in 1984, and since 1985 U.S. Marshals have not received any additional resources to carry out seized asset program management responsibilities. By 1991, seizures will have increased thirteen-fold, from 3,645 seizures in 1986 to 48,672 seizures in 1991. Equitable sharing transfers to state and local law enforcement agencies, which require processing by the Marshals Service personnel, will have increased fifteen-fold from 1,362 decisions executed in 1986 to over 19,468 decisions to be executed in 1991.

The Marshals Service requests 2 positions, 1 workyears and $47,000 for two program analysts, one located in headquarters and the first of nine additional positions needed to identify seized asset management contract requirements on a district, regional and national basis, conduct quality control reviews of district records to ensure program compliance, and purge old cases to resolve and close forfeiture actions. These additional positions will also exercise oversight over the rapidly growing equitable sharing caseload.

An additional **132 positions, 66 workyears and $6,192,000** are requested to hire 44 Business Managers, 45 Deputy Marshals, and 43 Procurement Clerks to augment existing district seized asset management units and to increase the number of units from 12 to 56, to be located in districts demonstrating the highest seizure activity. The business managers will handle the increasingly complex and complicated transactions involved in managing an array of real and personal property, businesses, resort property and specialty assets. The additional Deputy Marshals are needed to handle the anticipated increased volume of seizures generated by the new Assistant United States Attorneys, and DEA and FBI Asset Removal Teams. In addition, Deputy Marshals will be required to perform post-award inspections on the numerous contracts that will be awarded to manage and maintain an increasing workload of seized property. Post-award inspections are needed to protect against fraudulent contractors and ensure the integrity of the seized asset mission. The procurement clerks will execute an estimated 10,000 small purchase actions required for property seizures (title searches, appraisals, property managers etc.) and disposal actions (i.e. auctioneers, realtors, and legal consultants etc.).

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
District of Columbia Superior Court.......	124	121	$5,547	124	121	$5,851	159	138	$7,391	35	17	$1,540

Long-Range Goal: To provide the Superior Court of the District of Columbia services usually performed by a local sheriff.

Major Objectives:

To provide security throughout the four Superior Court Buildings and for the judicial activities conducted there.

To serve process for the Superior Court.

To produce prisoners for the Superior Court.

To refine the organizational structure in order to improve the quality, efficiency, and accountability of services provided to the Superior Court.

Base Program Description: The office of the U.S. Marshal for the Superior Court in the District of Columbia is exceptional. Its functions are local in nature and are typically performed by a sheriff or similar local official. Thus, the Marshals Service supports the Superior Court with activities that are outside Federal jurisdiction in other Districts. These include such matters as serving warrants for nonpayment of child support and conducting court-ordered evictions. At the same time, though, this office performs services done in all the other Districts, including protecting the judiciary, prisoner transportation/detention, and tracking fugitives.

Accomplishments and Workload:

Item	1988	1989	Estimates 1990	Estimates 1991
Number of prisoners received....................	74,146	76,400	80,800	80,800
Number of prisoner productions.................	138,852	155,500	180,400	205,000
Eviction orders received........................	21,598	21,600	21,600	21,600
Eviction orders executed........................	3,066	3,100	17,000	21,000
Process received................................	9,324	9,500	10,000	10,000
Process served..................................	5,882	5,900	7,800	10,000

The D.C. Superior Court has 51 judges, 15 commissioners (magistrates), and 14 judges-in-senior-status in 62 courtrooms and hearing rooms, located in four separate buildings. It operates six days a week, including all holidays, and handles a wide variety of judicial cases including: Criminal (Felonies, Accelerated Felonies, Traffic Felonies, and U.S. Misdemeanors involving injury); Civil (including major actions above $2,000); Family (Domestic Relations, contested divorces, contested custody, etc., Domestic Relations Trials, and Family Trials); Commissioners (mental health hearings, small claims, U.S. misdemeanors not involving injury, D.C. traffic, preliminary hearings, arraignments, and family hearings); and Special Matters (Chief Judge criminal cases, and landlord/tenant disputes).

Unfortunately, the Nation's Capital is now the "Nation's Murder Capital", with a murder rate, most of which is drug-related, 35 percent higher than last year's. The Director for National Drug Control Policy has focused national attention on the District's drug plight. Inherently a local issue, drug-related crime in D.C. requires direct Marshals Service involvement. The trials of the defendants in these cases, with all their attendant risks, fall on this district's already overburdened staff. Staffing shortages often necessitate the dangerous practice of using one Deputy to escort ten prisoners through the Courthouse when moving them from the cellblocks to the courtroom.

The warrant squad for the District is staffed by six Deputies scheduled and paid to work from 6:00 a.m. to 2:30 p.m. They are required to serve all process that cannot be executed by mail and to execute all warrants. On most days, these six Deputies abandon warrant activities at 8:30 a.m. in order to provide a security presence in the courts, working until 5:00 p.m. (on paid overtime). Since security is a higher priority than warrant work, the District is facing a growing backlog of warrants which must be executed, a backlog which will increase as the Marshal is required to assume additional warrant activities from the Metropolitan Police Department.

This shortage of Deputies limits the level of judicial security the Marshals Service is able to provide to judicial officers. Of the 37 Deputies, 29 are theoretically available every day to protect 80 judicial officers. (Six Deputies are assigned to execute warrants and two are assigned to handle prisoner moves.) A full complement of Deputies is rarely available, though, once special assignments, leave (both annual and sick), and emergency situations come into play. Therefore, there are usually no backup Deputies available in the squad room when crises arise in the courtrooms or cellblock -- such crises average three per week. This shortage of personnel has forced the Marshal to assign ten detention officers, ten guards, and nine intermittent Deputies to courtrooms just to provide a minimum security presence. The lack of adequate staffing endangers the judiciary, the general public, and Marshals Service personnel.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
District of Columbia Superior Court..............................	124	121	$5,851	159	138	$7,391	35	17	$1,540

To fulfill the Federal responsibilities to the local judiciary in the special circumstances of the District of Columbia, the Marshals Service requests an increase of **35 positions, 17 workyears, and $1,540,000** for the D.C. Superior Court decision unit. These additional resources will allow the Marshals Service to respond more effectively to the needs of the court, including the expected increase in detentions, court appearances, which are expected to grow almost one-third above this year's level, and evictions (up 23 percent above the 1989 total). The District's plight has been the focus of national attention, and its drug and murder activity are local crimes requiring direct Marshals Service involvement.

The additional personnel will operate the cellblock, transport prisoners within the Superior Court buildings, and provide other court support. Sufficient personnel will reduce the danger now faced by the judiciary and the general public as one Deputy escorts up to ten prisoners through the Courthouse when moving them from the cellblocks to the courtroom.

The Marshals Service conducted an audit of this office in January 1988 and found that the staffing level was not adequate to conduct the large operational workload. Numerous security deficiencies were noted in procedures for handling and transporting prisoners. Also, significant backlogs existed in evictions and warrant investigations. These problems still exist despite extensive efforts to alleviate the situation. Unfortunately, the problem will worsen in the immediate future because six of the 37 Deputies are scheduled to retire during the next six months. Their loss must be measured in terms of both quality and quantity, because they represent levels of experience and knowledge which cannot be replaced easily.

And, this wave of retirements is only an example of the increase in mandatory retirements facing the Marshals Service during the next five years.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Service of Process....	182	195	$12,025	182	195	$12,684	182	195	$12,684	...	...	...

Long-Range Goal: To ensure the integrity of the criminal justice system through the execution of Federal warrants and other orders.

Major Objectives:

To provide for the timely service of process, court orders, and warrants in support of the federal judiciary.

Base Program Description:

Every year the Marshals Service executes hundreds of thousands of summonses, writs, mandates, and other process for the federal courts, United States Attorneys, private litigants, federal agencies, foreign governments, and others. Service of Process includes summonses and complaints in civil actions, subpoenas in both civil and criminal actions, writs of habeas corpus, writs of execution, and enforcement of major injunctions.

This program is also responsible for providing law enforcement assistance in nuclear weapons movement through reimbursable agreements with the Joint Cruise Missile Project Office of the Department of Defense and the U.S. Air Force; and providing specific assistance to State and local law enforcement agencies.

Accomplishments and Workload: Accomplishments of the Service of Process program are presented in the following table.

			Estimates	
Item	1988	1989	1990	1991
Court orders received..............	333,987	343,089	352,352	361,865
Served by mail......................	73,371	80,879	89,129	98,220
Served in person....................	211,246	222,003	214,337	150,000
Returned unexecuted.................	49,639	30,140	50,365	50,768
Court orders handled................	334,256	333,022	339,149	341,858

For non-warrant court orders sixty-three percent are served in person, twenty-two percent served by mail and fifteen percent are returned to the court unexecuted. What at first may appear to be routine work (i.e., summonses and complaints filed in debt collection cases) may require significant investigation by the deputies executing the process as they try to locate the individuals attempting to avoid service.

The work the Marshals Service provides to the Federal Courts through the execution of court orders is practical and fundamental. By delivering court documents correctly and assuring that the conditions within them are successfully met, the Service insures that the federal justice system is able to continue to operate smoothly and efficiently.

The Anti-Drug Abuse Act of 1988 amended 28 U.S.C. 1921, which provided for the collection of fees and commissions for the personal service of non-government civil process. The amended statute (Sec. 7608 (c), P.L. 100-690) permits the Attorney General to set fees and commissions. A proposed rule governing new fees and commissions for the service of process has been developed. Upon final approval and publication of the rule, reimbursement of Marshals' costs for actual expenses will occur on a broader scale.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Field Support and Training.........	168	176	$10,116	168	176	$10,671	168	176	$10,671	...	...	...

Long-Range Goal: To provide the requisite operational training for all employees and financial disbursement management training for field office administrative staff.

Major Objectives:

To develop and improve the Marshals Service's programs by providing training courses.

To collect and disburse funds in field offices in a timely and efficient manner.

Base Program Description This program provides financial support and develops, conducts and oversees the training of Marshals Service personnel. Field Support responsibilities include prompt payment of debts and collection and deposit of funds due the Government by law or court order. Training responds to ever-increasing demands by the judiciary and law enforcement agencies for courses of instruction to produce a highly competent and professional workforce capable of performing assigned tasks efficiently effectively and safely.

Accomplishments and Workload: Accomplishments of the Field Support and Training Program are presented in the following table.

Item	1988	1989	Estimates 1990	Estimates 1991
Check Issuances	294,000	329,280	368,793	368,793
Vouchers Certified at Field Offices	188,000	210,560	235,827	235,827
Basic Deputy Marshal Training received	181	112	288	350
Supervisory Management Training received	140	80	120	120
Chief Deputy/Management Skills Training received	90	98	72	72

Training remains an essential ingredient in the quality of a law enforcement agency, and the Marshals Service has developed the most effective, comprehensive, state-of-the-art training program in its long history. A combination of high-tech equipment, dedicated instructors, and priority attention to the training mission makes Marshals Service personnel among the best trained law enforcement officers in the world. During 1989, the Marshals Service Training Academy trained 1,417 agency and other law enforcement personnel in 60 separate schools and conferences. This consisted of 22,449 student training days at the Federal Law Enforcement Training Center (FLETC) - maintaining the Marshals Service's position as one of the top ten agencies at FLETC.

In 1989, there were three Criminal Investigator Schools with three follow-on Basic Deputy Schools. Specialized advanced training conducted included the following: six Court Security Officer Orientation classes; two Firearms Instructor Training programs; three National Asset Seizure and Forfeiture Schools; eleven Protective Services Training Schools; three State and Local Court Security Seminars; three State and Local Fugitive Investigators Courses; two Witness Security Inspector Basic classes; four Contemporary Management Concepts; one Court Security Inspectors school; three Federal Emergency Management Agency schools; four Introduction to Management and Leadership Seminars; and one Prisoner Detention School. The Training Academy arranged for Marshals Service employees to attend the following Federal Law Enforcement Training Center Schools:

Basic Instructor Training Program -	2 schools
Driver Instructor Training Program -	2 schools
Law Enforcement Spanish Training Program -	4 schools
White Collar Crime Training Program -	1 school

The average length of time for each course at the Academy was 14 days. The average cost per course was $32,281, and the average cost per student was $1,532.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
ADP and Telecommunications...	32	29	$13,687	32	29	$14,437	32	29	$19,549	...	...	$5,112

Long-Range Goal: To provide all operational, administrative, and managerial functions of the Marshals Service with modern computer and communications equipment, software, and staff support to improve productivity and personnel safety.

Major Objectives:
To expand the radio and telecommunications systems to strengthen operational law enforcement capabilities.

To modernize district automation systems and complete office automation systems at headquarters.

Base Program Description: The Marshals Service telecommunications systems provide rapid data/voice communicating via telephones, facsimile transceivers, and visual display terminal systems, as well as radios and base stations to support all Marshals Service missions.

The ADP support function is designed to implement and maintain automated systems necessary to support the Marshals Service mission and permit field offices to perform effectively. This is accomplished by systems development and hardware acquisition for all Marshals Service entities.

Accomplishments and Workload: Accomplishments of the ADP and Telecommunications program are presented in the following table.

			Estimates	
Item	1988	1989	1990	1991
JUST and NLETS teletype messages..............	1,435,414	1,456,955	1,478,799	1,626,679
NCIC clears and hits..........................	6,398	6,854	7,400	8,140
Districts automated:				
District Accounting - Phase I...............	45	94	94	94
Prisoner Population Management - Phase II...	45	94	94	94
Warrant Information Network-Phase I.........	45	45	45	45
District Automation Altos Upgrade	...	...	...	94
Dial Back Modems	...	...	...	94
386 Upgrade	...	...	...	94
Hardware Expansion	...	...	...	94

Item	1988	1989	Estimates 1990	 1991
LAN's for Districts	...	...	...	15
OA Software	...	...	...	94
Laser Printer	...	...	...	94
DAS software enhancements	...	...	...	94
PPMS software enhancements	...	...	...	94
Headquarters Division LAN's	...	...	...	17

The Marshals Service teletype communications system provides full service to 95 field locations and is an integral part of the Justice Telecommunications Network (JTN). Districts' terminals can access the following information systems: (1) National Crime Information Center (NCIC); (2) State data banks via the National Law Enforcement Communications System (NLETS); (3) Treasury Enforcement Communications System (TECS); and (4) The Marshals Warrant Information Network (WIN).

This year, 38 STU III Secure Telephones were installed at various USMS locations. Several remaining districts also received upgraded telephone systems, including Eagle, Merlin and 1A2. The divestiture of AT&T led to subsequent requirements to purchase telephone systems from GSA authorized vendors through the Purchase of Telephone Service (POTS) contracts. In 1989, 160 Digital Voice Privacy (DVP) mobile vehicle radios were installed and 188 DVP handheld radios were distributed to the field. The fixed equipment component is now 80 percent complete, and the handheld radios portion is 45 percent complete. Once finished, this system will provide complete security and will be the standard for emergency communications.

With respect to ADP, the Marshals Service has made significant progress during 1989. With the installation of 56 District Automation Computer Systems in 1989, the Marshals Service reached its goal of automating all 94 District Offices. Each District now has a District Automation Computer System consisting of an Altos Supermicro Computer and Personal Computer Workstations. All Districts are now automated and operational with staff trained in Systems Administration. The Prisoner Population Management System, and the District Accounting System will be installed in the last 10 districts by the end of March 1990. An 8:30 am to 9:30 pm (Eastern Time) User Support Hotline is operational providing assistance to the nationwide user community. A formal Software Quality Control program was established for all software changes and modifications going to U.S. Marshals Service field locations. A formal District Automation System Configuration Control Program was established to maintain and track all information regarding software and hardware versions and changes throughout the 94 Districts and Headquarters.

The Seized Asset Management System (SAMS) was successfully installed and tested in four Marshals Service Districts (Southern New York, Middle Florida, District of Arizona, and the District of Oregon). With the implementation of a few small changes made as the result of the testing, SAMS will be installed in the remainder of the Marshals Service Districts and the eight Regional Seized Asset and Forfeiture Offices during 1990.

The Warrant Information Network (WIN) was modified to permit the addition of over 10,983 Drug Enforcement Administration (DEA) warrants. These DEA warrants were in addition to the 60,000 warrants added to WIN annually. Work has progressed on defining a new Warrant Information Network which will provide greater functionality to meet the increasingly complex Marshals Service investigative requirements.

This new WIN, titled Offender Based Information System (OBIS) was initiated in 1989 and will combine all related prisoner activities into one application. Also initiated during 1989 was OBTS, Offender Based Tracking System. This effort will result in a major central repository of prisoner data for use by all Federal agencies requiring information in the Federal Criminal Justice arena.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
ADP and Telecommunications..........................	32	29	$14,437	32	29	$19,549	...	...	$5,112

The Marshals Service requests an increase of $5,112,000 to fund improvements in the ADP and Telecommunications program.

The District Automation Project requires $1,500,000. With these proposed program increases, the areas cited in the Department of Justice audit report of February 19, 1989 can be addressed and problem areas avoided in the future. With additional resources, proper Automated Information System (AIS) planning can be achieved allowing the Marshals Service to fulfill long-range ADP missions, goals, and objectives. In the past, it was difficult to adequately plan and implement major initiatives without adequate resources. Additionally, the implementation delays cited in the audit report can be eliminated.

With all 94 districts on-line, the Marshals Service must expand the applications running on the Altos computer system. To accommodate new applications software, additional storage space and memory will be required. This will allow for the new applications along with increased volume of workload to be added without greatly degrading the current performance and service levels of the system.

With the limited funds available directed towards ADP development, the necessary AIS security program was not given sufficient attention as noted in the 1989 Justice Management Division Audit Report. With funds to procure equipment necessary to provide hardware security and train the users in security awareness, the Marshals Service responsibility in meeting the requirements set forth in the Security Act of 1987 can be met.

With this combined ADP decision unit request the fragmentation of responsibilities cited in the 1989 Justice Management Division Audit Report will be eliminated. By combining all the ADP resources, the Marshals Service will be going forward with a unified automation effort.

An additional $200,000 for dial back modems, on-site installation and a limited security awareness training program for all 94 districts is requested. These dial back modems will provide communications security to all field Altos District Automation computers by forcing the person trying to access the Altos to receive a call back validating they are authorized. This will prevent unauthorized access from freelance hackers. At the time of installation of the modems, a brief security awareness training course will be conducted to keep all users informed of the ever-growing computer security areas. These actions are absolute minimums to meet basic requirements of computer security for the Marshals Service District Automation Program. Failure to make these changes will be a security violation.

An increase of $850,000 is requested to upgrade and expand the Altos hardware. This upgrade will allow the equipment that was contracted for in 1988 to be upgraded to meet recent technology advancements. Besides improvements in overall performance, it allows for the sharing of Department of Justice (DOJ) standard software packages and will permit cost effective site licenses. This hardware upgrade will also permit the Altos computer to be compatible with current commercially available software releases. The current Altos computer central processor chip is now obsolete and will not be supported by Altos or software vendors. It must be replaced.

With the expansion of the office automation procedures, it is essential that the large Marshals Service Districts stay abreast with current technology to facilitate the exchange of information in response to the public as well as the courts. The items requested in this budget will permit this use of technology. These items include: purchase of standard office automation laser printers at $200,000, and local area networks for the 15 largest Marshals Service district offices at $250,000.

Laser jet printers will provide letter quality documents with the equipment and software previously purchased. The addition of laser printers would complete the necessary acquisition to give total office automation capabilities to the district offices. The printed output from the current dot matrix printers is not suitable or acceptable to many U.S. courts. One Laser printer for each District Office is a minimum essential requirement.

This request also includes resources of $700,000 for headquarters automation support. The need to replace obsolete Pyramid/Britton-Lee equipment will cost $300,000; installing Local Area Network for the 17 largest divisions at headquarters will cost $200,000; and software support for new applications will cost $200,000.

The current ADP computer equipment was purchased in the early 1980's. It is obsolete and difficult to maintain, and must be replaced to continue to provide services to the Headquarters Divisions. Furthermore, new applications will be added and old ones will be enhanced taking advantage of new technology.

New applications to be developed are 1) the Offender Based Tracking System (OBTS) which will provide the Service with a central repository of information, and enable the tracking of offenders from point of entry to disposition, and 2) the Director's Decision Support System (DSS), which will enable the analysis of data collected by all headquarters staffs and input by all district offices. These new applications will require appropriate processing hardware.

The majority of the office automation functions currently being performed in Headquarters are accomplished on a variety of stand alone computers. A need to procure file servers and a local area network to customize this operation is required.

The 1989 Justice Management Division Audit Report cited many problems with the collection of data by several Headquarters activities. The same data was being collected by different organizations and in some cases, the results were inconsistent. Other methods were cited as being inefficient. The Headquarters funds will be used to accumulate this type data in the Decision Support System. This will allow for a standard method of input, avoidance of duplication, and the ability to retrieve a multitude of data in a variety of ways.

Another $515,000 is requested to rewrite the Prisoner Population Management System (PPMS) software to interface with the Prisoner Automated Scheduling System (PASS), Sentry, and to establish a centralized database.

Additional resources of $577,000, requested for the District Accounting System (DAS), will allow timely responses in making required accounting changes. The February 1989 Department of Justice audit was critical of certain accounting procedures. The limited resources were directed towards implementing the accounting system which left the maintenance of the system short-handed, delaying necessary changes. The District Accounting System manual was incomplete as the resources were dedicated towards implementing DAS in districts. With these funds, similar problems (such as those cited in the Audit Report) will be avoided. A rewrite of the DAS software is required to better accommodate previous accounting modifications and allow the application to merge data with the Seized Asset Management System (SAMS).

Finally, $1,820,000 are necessary for new, fixed, Digital Voice Protection (DVP) base stations and repeaters, including $270,000 to purchase base stations. These base stations will replace old, non-DVP equipment in district offices. Additionally, $1,550,000 is requested to purchase new repeaters. These repeaters will replace older, non-DVP equipment and add new, badly needed repeaters in areas where the Service has no radio coverage. The addition of these radios completes the USMS long-range radio plan for fixed equipment, started in 1980.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration........	161	170	$12,893	161	170	$13,600	184	183	$14,655	23	13	$1,055

Long-Range Goal: To plan, develop policies, direct, manage, budget and administer the Marshals Service's law enforcement responsibilities.

Major Objectives:

To provide executive leadership and policy guidance to operational and administrative staff for efficient and cost-effective operations.

To ensure a high standard of integrity, loyalty, and conduct among all Marshals Service personnel.

To disseminate information about Marshals Service activities to employees, public officials, other agencies and the public.

To provide efficient and effective personnel management.

To assess personnel and financial resource needs by program, obtain adequate resources and manage them effectively.

To maintain an effective Equal Employment Opportunity Program.

To procure and maintain equipment in support of district and headquarters requirements.

To improve overall management of and accountability for Marshals Service property.

Base Program Description: The Marshals Service could not function adequately without its management and support services, all of which directly support the operational mission. This program covers a wide range of activities --- legal guidance and representation, recruitments, procurement, space management, management studies, and financial management. Unfortunately, management support has not kept pace with operational demands. From 1988 to 1991, the number of personnel specialists remained static as the operational workforce grew; contracts have increased by 170 percent, small purchases have increased 92 percent and the complexity and number of transactions for the Service's finances -- approaching $1 Billion annually have increased.

Accomplishments and Workload: Accomplishments of the Management and Administrative program are presented in the following table.

			Estimates	
Item	1988	1989	1990	1991
Printed Products........................	1,100	2,168	2,700	3,400
Public/Congressional Information Dissemination..................	1,631,847	2,000,000	2,000,000	2,000,000
EEO Complaints Filed...................	19	20	20	20
Property Actions Completed..............	8,000	8,500	12,000	12,000
Minor Office Renovations................	167	256	318	318

Item	1988	1989	Estimates	
			1990	1991
Number of Contracts....................	74	104	147	200
Number of Modifications to Contracts....	210	247	292	372
Number of Small Purchases...............	3,235	4,000	5,000	6,200
Special Projects and Studies............	57	63	69	76

The following represents the 1989 accomplishments of the Management and Administration organizations.

The Legal Counsel staff responded to 300 tort claims, 20 employee claims for property damage, 60 personnel actions in administrative proceedings and arbitrations; issued 350 legal opinions; processed 800 Freedom of Information and Privacy Act requests and appeals; and handled the paperwork on 125 matters in litigation in Federal Courts. In addition, the Office of Legal Counsel was involved in 150 contract reviews or related proceedings.

The Personnel Management Division provided a full range of personnel services for approximately 3,260 permanent and temporary employees, 150 more positions than serviced in 1988. The Division also took steps to provide improved retirement assistance and benefits processing. This facilitates the retirement process and reduces the workload impact of an increased attrition rate. Further, the Division continued the highly successful Management Consultation Program (MCP) to assist District management. This program addresses both positive and negative areas of District operations and provides valuable information to senior District and Headquarters management. Working with the Field Administrative Review Committee, the Division reviewed the workforce composition of administrative positions in District offices, and developed three models for structuring administrative positions, depending on the level of activity. Implementation of these staffing structures will greatly improve District ability to handle the increasingly complex administrative functions they must perform. Finally, the Division continued use of special salary rates for entry level deputy positions in a number of geographical areas. The Service was the first major law enforcement agency to establish these higher rates of pay for operational positions, which enhances recruitment and retention of operational personnel in these high-cost locations.

The Service emphasized minority recruiting during 1989. The Employee Development Division administered the Chief and Supervisor Deputy U.S. Marshals Merit Promotion test to approximately 1,000 employees. The Division acquired OPM authorization to administer a Deputy U.S. Marshal exam, to be given frequently and in selected urban areas. Marshals Service officials interviewed over 1,070 applicants during 1989, and hired 99 new Deputies.

The Resource Analysis Division produced a variety of reports, notably the annual "Director's Report" and the "Report to the U.S. Marshals." In accordance with the Marshals Service Management Initiative identified in the 1990 budget submission, the Division began a feasibility and requirements study for interfacing the USM-7, the Service's biweekly time utilization report, with the Department's electronic time and attendance program at the District office level. A prototype decision support system was developed for the Seized Assets Division using object-oriented programming. Also, the identification of data sources and other Federal agency clients was accomplished in anticipation of a requirements and feasibility study for the 1990 development of an Offender Based Tracking System (OBTS). Developing OBTS is the logical progression of linking these information processes together into one Federal offender data base. In addition to being able to produce descriptive Federal offender statistics, OBTS would measure the impact of legislation; chart changes in offender-related workload as a result of budget fluctuations or program and policy modifications; and provide standardized reports on offender statistics on a monthly, quarterly, or yearly basis.

The Office of Congressional and Public Affairs coordinates internal and external communication activities, represents the Service in legislative matters and provides responses to Congressional inquiries.

Public interest in the national observance of the Bicentennial of the U.S. Marshals has generated more communications with members of Congress, the news media, and the general public. A number of events were held to commemorate the Bicentennial. In cooperation with the U.S. Marshals Foundation and the Smithsonian Institution, the Marshals Service organized a traveling exhibit to visit museums across the country with a smaller version of the exhibit displayed at other locations. In addition, with the cooperation, support, and technical assistance of the Service, the U.S. Marshals Foundation is establishing and building a National Memorial and Interpretive Center in Oklahoma City to honor the 400 or more Marshals and Deputy Marshals who have given their lives in the line of duty.

The Director's EEO Advisory Committee met to compile affirmative action and equal employment objectives to provide EEO training to all management officials and to eliminate under-representation of minorities and women in the Marshals Service. During 1989, the Marshals Service provided EEO training to 245 management officials. The cooperative education program was enhanced to recruit qualified minorities and women for Deputy U.S. Marshal positions. The Service continued its outreach program at colleges and universities and through the media to attract minority and female Deputy U.S. Marshal candidates. During 1989 the Office of EEO continued to manage a viable EEO dispute resolution system. During this period, the Office of EEO closed 31 complaints of discrimination. Over 50 percent of the complaints closed resulted in settlement.

The General Services Support Program experienced workload increases in the areas of transportation, space management, renovations, and materials management. Program personnel managed over 1,500 vehicles and 435 facilities, monitored 146 major GSA construction projects, funded 256 minor office renovation projects, completed 8,500 accountable property transactions, and filled 12,000 individual requests for stock items and handled 510 printing orders.

The Facilities staff, through a delegation of authority from GSA, entered into lease agreements for aircraft hanger facilities in Oklahoma City, Oklahoma, to support the Marshals Service Airwing; for the Special Operations Group, and Camp Beauregard, Louisiana. Staff also coordinated with the Administrative Office of the U.S. Courts and the National Institute of Building Sciences in revising the U.S. Courts design guide. Staff coordinated with the Federal Bureau of Prisons in planning for Metropolitan Detention centers in Los Angeles and Miami.

The Printing and Distribution Branch provided in-house printing and distribution to satisfy increased demands for printed products from the USMS Training Academy, and Operational Divisions, such as Threat Analysis and National Asset Seizure and Forfeiture Division (NASAF). NASAF produces a large number of reports required for disbursing seized assets. In addition, state-of-the-art binding equipment has enabled the Service to produce quality reports for operational missions and security briefings. During 1989, the branch processed 2,168 printing orders. The demand for printed products, especially by the Training Academy, is expected to grow to 3,400 in 1991.

The Budget Division is responsible for all budget submissions for the U.S. Marshals Service, Support of Prisoners and the Asset Forfeiture Fund. It also coordinates the submission of the Court Security appropriation with the Administrative Office of the U.S. Courts as well as the Protected Witness Component of Fees and Expenses of Witnesses. The Division briefs senior management and other officials on Marshals Service budget activity and provides budget execution training for chiefs, supervisors and other field personnel. The Division transmitted over 15,000 financial reports to the Districts for the various appropriations. It also processed over 45,000 separate transfers between Headquarters and the field to fund special out-of-district assignments for high-profile trials. Given the docket for 1991, over 20,000 transfers are anticipated. The Division also oversees budget execution for more than 20 reimbursements totalling over $20 million. Other transfers for transportation of prisoners, training, awards, repairs, SOG assignments and other operations reached 30,000. In 1991 these other transfers will exceed 35,000.

In 1989, the Procurement Division's workload increased significantly. This reflected a widespread need for procurement support in most major programs of the Service, as well as the significant growth of those programs. Unique to the Department of Justice is the USMS authority to award personal service contracts for Court Security Officers (CSOs). The converting of CSOs to personal service contracts began in a number of pilot Districts. Over the last three years the significant growth in the number of seized properties has not permitted adequate contractual support for the Seized Assets Division. In 1989 a number of regional property management contracts were awarded for the upkeep, repair and sale of seized real estate. Procurement training for virtually all NASAF administrative personnel now helps insure that field and regional offices are knowledgeable in procurement matters. Major contracts, each over $1 million, were awarded for the maintenance and repair of all aircraft in the air wing of the Prisoner Transportation System. Also, significant enhancements to PASS, the automated ticketing system, were secured through a competitive contract. Architect and engineering (A&E) contracts in support of the Witness Security program were awarded. These contracts contain a new provision, namely monitoring of the construction by the A&E firm to ensure compliance with the specifications. Procurement training was a major achievement in 1989, since training was conducted for virtually all Chief Deputies and NASAF administrative staff, most Supervisory Deputies, and over half of the Marshals.

The Finance Division assisted in the development and implementation of the District Accounting System by coordinating system enhancements and by completing the conversion of the 94 Districts to the automated system through 1989. During this period, the system was modified in several important respects: 1.) to provide for the automatic assignment of voucher numbers and speed data processing; 2.) to provide for the assignment of a fiscal year code to "X" account transactions; 3.) to facilitate the attribution of a single accounting transaction to multiple case records; and 4.) to correct certain flaws in the report format submitted to the Department of Justice. The conversion of individual districts to the automated accounting system is proceeding apace. At the end of 1989, a total of 81 districts were operating through the automated system.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration..............................	161	170	$13,600	184	183	$14,655	23	13	$1,055

For 1991, **23 positions, 13 workyears and $1,055,000** are requested for the activities in this decision unit.

An increase of **6 positions, 3 workyears and $286,000** are required in the Budget and Finance Divisions to accommodate the rapidly increasing workload and to remedy the accounting weaknesses cited in the recent audit report. Financial activities within the USMS have increased tremendously the past few years. Additional staff in the Finance Division will enhance the ability of the Division to evaluate invoices submitted for payment, assemble the necessary documentation to support payments and to dispatch payments to vendors within the terms of the recently amended Prompt Payment Act. At present there is only one Accounts Payable Clerk reviewing over 600 invoices each month. In order to avoid delays that may result in late payment penalties, additional staff is necessary. Additional staff will also enhance the Division's ability to formulate and implement enhancements to the accounting system, furnish instruction to the accounting personnel located in the Marshals' offices, and review the documentation that is submitted to the Division by each District at the end of each month in support of the District's monthly statement of transactions. Additional staff in the Budget Division would enable Headquarters to provide prompt and individual service to the Districts, produce more timely and efficient analysis of the status of resources in the Districts and in Headquarters, to coordinate the resource needs of the USMS with other components of the Justice Department, to provide more timely and accurate responses to Departmental requests for information, and to produce budget documentation that clearly express the needs of the Service.

An increase of **7 positions, 4 workyears and $284,000** are required in the Procurement Division to accommodate the increases in workload currently projected throughout the Service. The procurement actions associated with replacement and upgrade of all handheld and mobile radios, Phase II of District Automation and the maintenance associated with adding three Sabreliner planes to the fleet requires the services of an additional Contracting Officer. It is projected that 50 contract awards will be made in support of the Seized Assets Division in both 1990 and 1991. Workload statistics used throughout the Justice Department and other Federal agencies dictate 18 awards per Contract Specialist per year and 25 contracts to Administer per administrator per year. These statistics generate a requirement for 3 additional Contracting Officers and 2 additional Contract Administrators in the Procurement Division. The number of small purchase actions in the Service increased by 24 percent from 1987 to 1988. Due to the continued growth in all program areas of the USMS it is reasonable to project the same rate of increase through 1991. The current workload in the Small Purchases Branch is 924 actions per agent per year; the anticipated growth in small purchase actions results in a requirement for 2 additional Purchasing Agents.

In 1991 the Resource Analysis Division requests **3 positions, 2 workyears and $142,000** to advance the Offender Based Tracking System (OBTS). The advantages of this system are widely recognized and endorsed by members of the criminal justice community. This unique system will provide the Service with a central repository of information, and enable the tracking of offenders from point of entry to disposition. The Bureau of Prisons (BOP) and the Administrative Offices of U.S. Courts (AOUSC) will also benefit from this system. AOUSC's Pre-trial Services will receive immediate notification of newly arrested individuals, and accurate initial information for background checks. It will also permit the Clerk of the Court to schedule workload more efficiently, and BOP will be able to accurately project what type of housing prisoners require. Also, this system will provide much needed management information for policy, program and budget purposes for the Marshals Service and the entire Department of Justice.

One attorney position, 1 workyear and $57,000 is required to meet the growing demand for legal assistance in the area of U.S. Marshals Service procurements, specifically contract review and litigation. The Office of Legal Counsel has noted a marked increase in the number of contract issues addressed in the past two years. The development of new and more sophisticated U.S. Marshals Service procurements, (ADP equipment, airplanes for the prisoner transportation program, advanced security systems, etc., and the increased reliance on the Procurement Division for assistance) means that the Legal Counsel's role in contract issues will continue to increase. The number of contract issues to be addressed by the Office of the Legal Counsel will go from 104 in 1989 to 200 in 1991.

A total of **6 positions, 3 workyears and $286,000** are requested for the Personnel Management and Employee Development Divisions. These additional positions will bring the personnel-to-organization staff ratio recommended by the Administration, of at least 1 personnel employee to every 72 employees for core personnel activities and an additional 10 percent for policy development and personnel management evaluation. At present the USMS has 38 employees covering the core personnel functions for 3,384 employees.

Furthermore, the workload in the Personnel Management Division will increase in FY 1991 as a result of the significant increase in the number of mandatory retirements that will occur during 1990 and 1991. Public Law 99-350 requires that when law enforcement officials reach the age of 55 and have 20 years of service, they must retire. In 1990 and 1991 the Service will have 78 mandatory retirements in addition to the usual optional retirements. This compares with 17 mandatory retirements in 1988 and 11 in 1989. An increase in staff will insure a smooth transition for our retiring employees and provide the extra attention they require. It will also provide for more efficient processing of retiring employees and help reduce the impact of increased attrition on the overall operational workload of the Division.

United States Marshals Service

Salaries and expenses

Financial Analysis - Program Changes

(Dollars in thousands)

	Protection of Judicial Process		Prisoner Trans. & Detention		Prisoner Trans. & Detention		Fugitive Apprehension		Seized Assets Management		DC Superior Court		ADP and Tele-Communications		Management and Administration		Total	
Item	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos	Amount	Pos.	Amount	Pos.	Amount	Pos	Amount	Pos	Amount
Grades																		
GS-14	1	$50													1	$50	2	$100
GS-13	1	43															1	43
GS-12	6	216							58	$2,088					17	612	81	2,916
GS-11	82	2,460	55	$1,958	(6)	($180)	(87)	($2,932)	38	1,140	12	$360			3	90	97	2,896
GS-8											23	506					23	506
GS-7	6	120							38	760					1	20	45	900
GS-6	1	18															1	18
GS-5	2	34													1	16	3	50
Total positions & annual rate............	99	2,941	55	1,958	(6)	(180)	(87)	(2,932)	134	3,988	35	866	...	...	23	788	253	7,429
Lapse (-)....................	(48)	(1,470)	(25)	(979)	...	...	...	...	(67)	(1,994)	(18)	(433)	...	...	(10)	(394)	(168)	(5,270)
Other than full-time perm....	...	...	...	...	...	...	(5)	(171)									(5)	(171)
Other personnel compensation.............	10	378	7	193	...	...	...	...	10	322	10	250	...	...	3	115	40	1,258
Total workyears and personnel compensation	61	1,849	37	1,172	(6)	(180)	(92)	(3,103)	77	2,316	27	683	...	...	16	509	121	3,246
Personnel benefits.........	...	491	...	306	...	(42)	...	(557)	...	547	...	190	...	...	...	107	...	1,042
Travel......................	...	926	...	638	...	...	...	(391)	...	820	...	227	...	...	...	160	...	2,380
Transportation of things	...	39	...	21	...	...	...	(23)	...	40	...	12	...	...	...	8	...	97
GSA rent...................	...	377	...	166	...	...	...	(573)	...	402	...	140	...	...	...	76	...	588
Comm., Util. and miscellaneous charges....	...	139	...	86	...	...	...	(285)	...	201	...	51	...	...	...	28	...	0 220
Printing.....................	...	22	...	11	...	...	...	(6)	...	27	...	7	...	...	...	5	...	66
Other services..............	...	10,310	...	3,554	...	186	...	(317)	...	599	...	103	...	...	...	49	...	14,484
Supplies & materials.......	...	75	...	40	...	...	...	(75)	...	78	...	25	...	...	...	11	...	154
Equipment..................	...	1,592	...	7,306	...	...	...	(70)	...	1,209	...	102	...	$5,112	...	102	...	15,353
Total workyears & obligations 1991...........	61	15,820	37	13,300	(6)	(36)	(92)	(5,400)	77	6,239	27	1,540	...	5,112	16	1,055	121	37,630

United States Marshals Service

Salaries and expenses

Priority Ranking

Base Program

Program	Ranking
Prisoner Transportation and Detention	1
Protection of Judicial Process	2
Service of Process	3
Seized Asset Management	4
Fugitive Apprehension	5
Field Support and Training	6
ADP and Telecommunications	7
D. C. Superior Court	8
Management and Administration	9

Program Increase

Program	Ranking
Prisoner Transportation and Detention	1
Protection of Judicial Process	2
Seized Asset Management	3
D. C. Superior Court	4
ADP and Telecommunications	5
Management and Administration	6

United States Marshals Service

Salaries and expenses

Detail of Permanent Positions by Category

Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Total	1991 Program Increases	Total
Attorneys (905)	7	7	1	8
Other Legal & Kindred (900-988)	68	68	...	68
Criminal Investigative (1811)	941	1,067	...	1,067
U.S. Marshals (082)	1,248	1,408	99	1,507
Other Misc. Occupations (001-099)	24	24	23	47
Social Sciences, Economics and Kindred (100-199)	3	3	...	3
Personnel Management (200-299)	29	29	7	36
General Admin., Clerical and Office Services (300-399)	434	445	13	458
Accounting and Budget (500-599)	117	117	16	133
Engineering and Architecture Group (800-899)	2	2	...	2
Information & Arts Group (1000-1099)	5	5	...	5
Business & Industry Group (1100-1199)	33	33	88	121
Equipment, Facilities and Services Group (1600-1699)	1	1	...	1
Education Group (1700-1799)	3	3	...	3
Supply Group (2000-2099)	9	9	...	9
Transportation Group (2100-2199)	23	29	6	35
Total	2,947	3,250	253	3,503
Washington	277	277	32	309
U.S. Field	2,669	2,972	221	3,193
Foreign Field	1	1	...	1
Total	2,947	3,250	253	3,503

United States Marshals Service
Salaries and expenses
Schedule of Motor Vehicles

Method of Acquisition and Type of Vehicle	1988 End-of Year Inventory	1989			1990			1991			
		Acquired	Disposed	End-of Year	Acquired	Disposed	End-of Year	Acquired	Average Costs	Disposed	End-of Year
Leased:											
Large sedan	905	159	513	551	410	108	853	...	$258	441	412
Midsize sedan	3	...	3	...	...	...	...	...	...	...	...
Compact sedan	10	38	...	48	75	...	123	...	184	...	123
Subcompact sedan	1	32	1	32	60	...	92	...	184	...	92
Station wagon	48	33	...	81	109	49	141	...	250	...	141
Van	152	70	50	172	57	57	172	57	240*	57	172
Bus	12	...	...	12	...	...	12	...	500*	...	12
Special Purpose:											
4 wheel drive	44	18	15	47	26	26	47	16	200*	16	47
Trucks:											
Pickup	2	1	...	3	...	1	2	...	170*	...	2
Subtotal Leased	1,177	351	582	946	737	241	1,442	73	N/A	514	1,001
Purchased **											
Large sedan	316	512	182	646	...	504	142	852	...	450	544
Midsize sedan	36	...	36	...	...	...	...	...	...	...	...
Station wagon	64	...	54	10	...	10	...	...	...	...	...
Van	6	35	...	41	15	2	54	30	...	...	84
Bus	1	2	...	3	...	...	3	3	...	...	6
Subtotal Purchased	423	549	272	700	15	516	199	885	...	450	634
Seized & Excess											
Limousine	3	1	...	4							
Large sedan	73	47	39	81							
Midsize sedan	15	13	10	18							
Compact sedan	8	4	3	9							
Station wagon	4	7	3	8							
Van	10	5	6	9							
Ambulance	1	...	...	1							
Bus	5	1	2	4							
Special Purpose:											
4 wheel drive	16	9	5	20							
Other	13	...	...	13							
Trucks:											
Pickup	22	11	8	25							
Other	1	...	...	1							
Subtotal Seized and Excess	171	98	76	193	...	...	193	...	...	...	193
Total Vehicles	1,771	998	930	1,839	752	757	1,834	958	...	964	1,828

NOTE: IT IS IMPOSSIBLE TO PREDICT OR ESTIMATE NUMBERS OR MIX OF VEHICLES THAT WILL BECOME AVAILABLE.

* Plus mileage charges (GSA).

** Purchases include vehicles obtained by means of lease/purchase agreements which became/become property of the United States upon lease expiration.

United States Marshals Service

Salaries and Expenses

Schedule of Aircraft

(Dollars in thousands)

Type of Aircraft (Passenger Capacity)	1988 End-of-Year Inventory	1989			1990			1991			
		Acquired	Disposed	End-of-Year	Acquired	Disposed	End-of-Year	Acquired	Average Cost	Disposed	End-of-Year
Leased:											
Jet Engine (120)	1	...	...	1	...	...	1	1	...	...	2
Subtotal leased	1	...	...	1	...	...	1	1	...	...	2
Seized, no cost forfeited, or surplused	...	...	...	...	...	...	...	...	...	...	...
Fixed wing:											
Single engine (2)	4	...	...	4	...	...	4	...	...	...	4
Twin-Engine (6)	2	...	...	2	...	...	2	...	...	...	2
Turbo-Prop (8)	2	...	1	1	...	...	1	...	...	...	1
Jet Engine (120)	1	...	...	1	...	...	1	...	...	...	1
Jet Engine (10)	7	...	...	7	...	...	7	...	...	...	7
Subtotal seized	16	...	1	15	...	...	15	...	...	...	15
Total Aircraft	17	...	1	16	...	...	16	1	...	...	17

United States Marshals Service
Salaries and expenses
Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-Years	Amount
Department of Justice Appropriations Act, 1990	...	...	$217,027
Department of Transportation Appropriations Act, 1990-Emergency Drug Funding	...	...	23,819
1990 as enacted	3,250	3,173	240,846
1990 Sequestration	...	...	(2,985)
1990 appropriation anticipated	3,250	3,173	237,861
Adjustments to base:			
Mandatory increases:			
Annualization of 1990 Positions	...	183	6,478
Additional Compensable day	...	...	526
1990 Pay Raise	...	...	5,017
1991 Pay Raise	...	...	1,852
Senior Executive Service pay increase	...	...	65
Special Salary rates	...	...	217
Health Benefits	...	...	897
Federal Employees Retirement Systems (FERS)	...	...	95
Federal Employees' Compensation Act (FECA)-Workers' Compensation	...	...	430
GSA Rent	...	...	1,308
GPO Printing Costs	...	...	20
Employee data and payroll services	...	...	32
Total, mandatory increases	...	183	16,937
Decreases:			
New positions approved in 1990	...	...	(1,916)
Associated with 1990 Program Increases (i. e., Warrant Information Network)	...	...	(700)
Federal Employees' Compensation Act (FECA)-Unemployment Compensation	...	...	(26)
Federal Telephone System (FTS)	...	...	(1,257)
Total decreases	...	...	(3,899)
1991 Base	3,250	3,356	250,899
Program Increases	346	178	43,066
Program Decreases	(93)	(98)	(5,436)
1991 Estimate	3,503	3,436	$288,529

The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

United States Marshals Service
Salaries and expenses
Justification of Adjustments to Base
(Dollars in thousands)

	WY	Amount
Mandatory increases:		
1. Annualization of 1990 Positions...	183	$6,478
2. Additional Compensable day...	...	526
3. 1990 Full-year pay increase impact on 1991..................................	...	5,017

1. Annualization of 1990 Positions — This provides for the annualization of 316 positions approved in 1990.

	Approved 1990 Increases	Annualization Required
Annual salary rate of 316 positions	$ 9,866	...
Less Lapse (50%)	-4,996	$ 4,996
Net compensation	4,870	4,996
Associated employee benefits	1,480	1,482
Total costs subject to annualization	$ 6,350	$ 6,478

2. Additional Compensable day — The annual salary rate for Federal employees is based on 260 paid days. During 1991 there is one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.

3. 1990 Full-year pay increase impact on 1991 — This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $5,017,000 is the amount for full year funding in 1991. NOTE: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

	WY	Amount
4. 1991 pay increase.. For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This requests provides for 50 percent of the proposed 3.5 percent pay increase effective in January of 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $1,852,000, is the cost of the pay increase for approximately three-quarters of the year assuming a 50-percent absorption.	...	1,852
5. Senior Executive Service pay increase.. This request represents the 1991 costs of the pay raise for senior executive service employees. This pay increase is to be effective in January of 1990, but will be absorbed completely for the first year. In 1991, an increase of $65,000 is necessary for this requirement. Funding for the executive level employees pay pay raise is completely absorbed in both years.	...	$ 65
6. Special Salary rates.. This request provides increases as authorized by law in 5 U.S.C. 5303. The Office of Personnel Management (OPM) has approved these rates for positions where retention and recruitment of qualified applicants is a problem. The Department's request represents coverage of 33 authorized special rates.	...	217
7. Health Benefits... The Federal Employees Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1990 the actual contribution to health insurance increased 27 percent. The requested increase of $897,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.	...	897
8. Federal Employees Retirement System (FERS)....................................... This request provides for the additional costs in 1991 necessary to continue the implementation of the Federal Employees Retirement Act of 1986, P.L. 99-335. The Act established a retirement program for Federal civilian employees hired after December 31, 1983, who are covered by social security and for employees under the Civil Service Retirement System who chose to transfer to the new system. The increased requirement for 1991 is based on actual agency payments for the basic FERS annuity, Social Security and thrift savings.	...	95

	WY	Amount
9. Federal Employees' Compensation Act (FECA) Workers' Compensation................ This increase reflects the billing provided by the Department of Labor for the actual costs in 1989 of employees' accident compensation. The 1991 amount will be $2,870,000 or $430,000 over the 1990 base.	...	$ 430
10. GSA Rent.. GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $1,308,000 is required to meet our commitment to GSA.	...	1,308
11. GPO Printing costs.. The Government Printing Office (GPO) is currently projecting a seven-percent increase over the 1990 printing cost of $273,000. An additional $20,000 will be required in 1991.	...	20
12. Employee data and payroll services.. Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems, maintenance and payroll accounting, are based on the number of employee records maintained. The rate of $188.23 per record in 1990 will be raised to $199.52 per record for 1991. The change is based on anticipated uncontrollable cost increases of 6 percent for the operation of the Justice Employee Data Service. An increase of $32,000 will be required in 1991.	...	32
Total mandatory increases...	183	16,937

Decreases:

1. New positions approved in 1990 Nonrecurring costs associated with 316 positions requested in 1990.	...	-1,916
2. Special projects (i.e. Warrant Information Network) Nonrecurring costs associated with the 1990 program increase for the Warrant Information Network (WIN).	...	-700
3. Federal Employees' Compensation Act (FECA) Unemployment Compensation This decrease reflects the billing provided by the Department of Labor for the actual costs in 1989 of employees' unemployment compensation. The 1991 amount will be $26,000 less than 1990.	...	-26
4. Federal Telecommunications System (FTS) in 1991, the General Services Administration (GSA) is to have the FTS 2000 system fully implemented. At present GSA projections indicate costs for current FTS minute usage charges will decrease from 34 cents per minute to 18 cents per minute. The requested reduction of $1,257,000 from a 1990 base of $3,845,000, reflects this decrease.	...	-1,257
Total decreases	...	-3,899
Total, adjustments to base	183	13,038

United States Marshals Service

Salaries and expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grade and salary ranges	1989 Actual		1990 Estimate		1991 Request		Increase/Decrease	
	Position & Workyears	Amount	Position & Workyears	Amount	Position & Workyears	Amount	Position & Workyears	Amount
Executive Level V, $80,700	1		1		1		...	
ES-5, $81,400	1		1		1		...	
ES-4, $79,200	3		3		3		...	
ES-2, $74,400	1		1		1		...	
GS/GM 15, $59,216-76,982	105		105		105		...	
GS/GM 14, $50,342-65,444	117		117		119		2	
GS/GM 13, $42,601-55,381	145		145		146		1	
GS-12, $35,825-46,571	477		464		514		50	
GS-11, $29,891-38,855	1,060		1,376		1,460		84	
GS-10, $27,206-35,369	1		1		1		...	
GS-9, $24,705-32,121	268		268		268		...	
GS-8, $22,367-29,081	90		90		128		38	
GS-7, $20,195-26,252	383		383		456		73	
GS-6, $18,174-23,628	104		104		106		2	
GS-5, $16,305-21,201	142		142		145		3	
GS-4, $14,573-18,947	37		37		37		...	
GS-3, $12,982-16,879	6		6		6		...	
Ungraded positions	6		6		6		...	
1991 pay increase	...		...		...	$1,534	...	$1,534
Total, appropriated positions	2,947	$96,200	3,250	$115,275	3,503	131,458	253	16,183
Pay above stated annual rates	...	...	...	...	...	463	...	463
Lapses	(129)	(3,347)	(248)	(4,306)	(238)	(7,571)	10	(3,265)
Savings due to lower pay scales for part of year	...	(940)	...	(1,090)	...	...	...	1,090
Net full-time permanent	2,818	91,913	3,002	109,879	3,265	124,350	263	14,471
Other than permanent:								
Part-time permanent	14	170	14	167	14	176	...	9
Temporary employment	65	1,006	65	989	65	1,040	...	51
Other part-time and intermittent employment	92	1,680	92	1,652	92	1,737	...	85
Other personnel compensation:								
Overtime	400	16,429	450	15,082	490	15,967	40	885
Other compensation	...	2,855	...	3,003	...	3,003	...	...
Total, workyears and personnel compensation	3,389	114,053	3,623	130,772	3,926	146,273	303	15,501
Average ES Salary		$75,920		$78,680		$88,712		
Average GS/GM Salary		$32,500		$35,400		$34,900		
Average GS/GM Grade		10.8		10.9		10.9		
Average Ungraded Salary		$19,671		$20,458		$21,195		

United States Marshals Service

Salaries and expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1989 Actual Workyears	1989 Actual Amount	1990 Estimate Workyears	1990 Estimate Amount	1991 Request Workyears	1991 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1 Full-time permanent	2,818	$91,913	3,002	$109,879	3,265	124,350	263	14,471
11.3 Other than full-time permanent	171	2,856	171	2,808	171	2,953	...	145
11.5 Other personnel compensation	400	16,429	450	15,082	490	15,967	40	885
11.8 Special personal service payments	...	2,855	...	3,003	...	3,003	...	...
Total, workyears and personal compensation	3,389	114,053	3,623	130,772	3,926	146,273	303	15,501
12 Personnel benefits		24,357		26,696		29,032		2,336
13 Benefits for former personnel		47		...		...		...
21 Travel and transportation of persons		14,261		17,772		20,953		3,181
22 Transportation of things		1,049		1,016		1,114		98
23.1 GSA rent		19,728		27,474		29,307		1,833
23.3 Communications, utilities and misc. charges		14,354		13,669		13,855		186
24 Printing and reproduction		752		276		340		64
25 Other services		8,656		13,690		27,447		13,757
26 Supplies and materials		3,861		3,649		3,796		147
31 Equipment		3,539		3,182		16,412		13,230
32 Land and structures		126		...		...		...
41 Grants, subsidies, and contributions		4		...		...		...
42 Insurance claims and indemnities		32		...		...		...
Total obligations		204,819		238,196		288,529		50,333
Unobligated balance start of year		(1,464)		...		...		
Unobligated balance end of year		393		...		...		
Total requirements		203,748		...		...		
Relation of obligations to outlays:								
Total obligations		204,819		238,196		288,529		
Obligated balance, start-of-year		22,579		24,164		26,184		
Obligated balance, end-of-year		(24,164)		(26,184)		(28,795)		
Adjustments in expired accounts		363		...		...		
Outlays		203,597		236,176		285,918		

Department of Justice

United States Marshals Service

Support of United States Prisoners

Estimates for Fiscal Year 1991

Table of Contents

	Page Number
Summary Statement	1
Justification of Proposed Changes to the Appropriation Language	2
Crosswalk of 1990 Changes	4
Summary of Requirements	5
Justification of Program and Performance	
Care of U.S. Prisoners	6
Cooperative Agreement Program	9
Financial Analysis - Program Changes	13
Priority Ranking	14
Summary of Requirements by Grade and Object Class	15

United States Marshals Service

Support of United States Prisoners

Summary Statement

Fiscal Year 1991

For 1991, a total of $193,034,000 is requested for the Support of U. S. Prisoners appropriation. Of this amount, $178,034,000 will be used to pay for the support, housing and safekeeping of Federal prisoners in Marshals Service custody and up to $15,000,000 will be made available for the Cooperative Agreement Program (CAP). The major initiatives and resource requests are summarized below.

Care of U.S. Prisoners

This activity is responsible for providing adequate medical care, hospital and detention facility guard services, and housing and subsistence for Federal prisoners in the custody of the Marshals Service. Detention of some 74 percent of unsentenced Federal prisoners in Marshals Service custody is accomplished through the negotiation and administration of approximately 875 agreements with State and local detention facilities located throughout the United States. The balance is dispersed in Bureau of Prisons facilities at no cost to this appropriation. During 1991, this program will require approximately $159,134,000 to fund 3,764,700 jail days at a projected daily rate of $42.27, and another $18,900,000 for medical care, guards and associated expenses.

Cooperative Agreement Program

The Cooperative Agreement Program (CAP) obtains guaranteed housing for Federal prisoners in State and local detention facilities in or near Federal court cities. At the same time, CAP funds improve the conditions of confinement in these facilities in accordance with national, State and local detention standards. This program also provides for the acquisition of excess Federal property and technical assistance to State and local governments which provide housing for Federal prisoners. For 1991, $15,000,000 is requested to fund an estimated 11 CAP projects with State and local governments.

Legal Activities
Support of United States Prisoners
Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Support of United States Prisoners

For support of United States prisoners in [non-Federal institutions, $137,034,000], ^ to remain available until expended; of which not to exceed [$5,000,000] ^ shall be available under the Cooperative Agreement Program.

the custody of the United States Marshals Service and as authorized in 18 U.S.C. 4013, but not including expenses otherwise provided for in appropriations available to the Attorney General, $193,034,000

$15,000,000

(18 U.S.C. 4001-4003, 4006-4009, 4013, 4042, 4082, 4085-4086, 4125, 4282-4283, 4285, 5040; Department of Justice Appropriation Act, 1990; additional authorizing legislation to be proposed.)

[To fight the war on drugs, $23,000,000, to remain available until expended for enhancing the availability of jail space for unsentenced Federal prisoners in the custody of the United States Marshals Service; of which not to exceed $10,000,000 shall be available under the Cooperative Agreement Program to obtain guaranteed housing for Federal prisoners in State and local detention facilities]

(Department of Transportation and Related Agencies Appropriations Act, 1990.)

Explanation of change

The first change provides the flexibility required to care for Federal prisoners in Marshals Service custody in those instances not covered by established detention programs and not specifically provided for in other appropriations. This includes use of Federal personnel to guard prisoners in any facility except established Bureau of Prisons and Immigration and Naturalization Service operated facilities. Hybrid Federal/State/local/private detention arrangements have been dictated by the lack of state or local detention space and the requirement for guard staff at a higher level of training and experience than is available from local sources. Recent examples include Bureau of Prisons personnel serving as long-term guards for Marshals Service prisoners in the state-owned Hartford Correctional Facility, and Marshals Service deputies guarding prisoners in Federal Court facilities when no other secure jail space was available from state or local agencies. In the Hartford situation, lack of any other suitable detention space in Connecticut or Massachusetts required the Marshals Service to create its own jail by occupying an entire wing of the Hartford Correctional Facility and staffing it with Bureau of Prison guards and USMS perimeter security guards. Its tenants are members of Los Macheteros and the United Freedom Front, terrorists who require the highest level of security.

This flexibility will not be used to augment or supplant funding authority vested in other Federal agencies, particularly the Bureau of Prisons and the Immigration and Naturalization Service. Further, this proposed language change emphasizes that the Support of U.S. Prisoners is the primary appropriation for the care and safeguarding of Federal prisoners in the custody of the Marshals Service. This appropriation will be used to pay all the expenses, including guard expenses, subsistence, medical, security equipment, jail space and building renovation costs, and any other expense related to housing Marshals Service prisoners, in any facility, Federal, state, local, private, or jointly operated facility, except for those expenses specifically funded by other appropriations. Guard expenses include those for Federal and non-federal employees used for this purpose.

The second change increases the limitation of the Cooperative Agreement Program in the Department of Justice appropriation. It should be noted that the Department of Justice Appropriations Act, 1990 included only $5,000,000 but that the Emergency Drug Funding title included in the Department of Transportation and Related Agencies Appropriations Act, 1990 provided an additional $10,000,000. Thus, both 1990 and 1991 have a $15,000,000 limitation on the Cooperative Agreement Program.

The third change deletes language which is included in the Department of Transportation Appropriation Act for 1990.

United States Marshals Service

Support of U. S. Prisoners

Crosswalk of 1990 Changes
(In thousands of dollars)

Activity/Program	1990 President's Budget Request	1990 Sequestration	Reprogramming	1990 Appropriation Enacted
1. Care of U.S. Prisoners......	$145,034	-$1,447	...	$143,587
2. Cooperative Agreement Program........	15,000	-150	...	14,850
Total..........	$160,034	-$1,597	...	$158,437

1990 Sequestration: A total of $1,597,000 was sequestered pursuant to P.L. 100-119 and P.L. 99-177.

United States Marshals Service

Support of United States Prisoners

Summary of Requirements
(In thousands of dollars)

Adjustments to base:	Amount
Department of Justice Appropriations Act, 1990	$137,034
Department of Transportation, Appropriations Act, 1990-Emergency Drug Funding	23,000
1990 as enacted	$160,034
1990 Sequestration	-1,597
1990 appropriation anticipated	$158,437
Nonrecurring costs for Cooperative Agreement Program	-14,850
1991 base	143,587

Estimates by budget activity	1989 Enacted	1989 Actual	1990 Enacted	1991 Base	1991 Estimate	Increase Decease
1. Care of U.S. Prisoners	$101,000	$ 99,166	$143,587	$143,587	$178,034	$34,447
2. Cooperative Agreement Program	9,100	6,750	14,850	...	15,000	15,000
Total	110,100	105,916	158,437	$143,587	$193,034	$49,447

United States Marshals Service
Support of United States Prisoners
Justification of Program and Performance
Activity Resource Summary
(In thousands of dollars)

Activity: Support of U.S. Prisoners

	1990 Appropriation Anticipated	1991 Base	1991 Estimate	Increase/Decrease
Care of U.S. Prisoners.............	$143,587	$143,587	$178,034	$34,447
Cooperative Agreement Program......	14,850	...	15,000	15,000
Total...........................	158,437	143,587	193,034	49,447

This activity is responsible for providing the adequate housing and subsistence of Federal prisoners in U.S. Marshals Service custody and for the Cooperative Agreement Program (CAP) to generate guaranteed housing of Federal Prisoners in compliance with acceptable detention standards.

	1990 Appropriation Anticipated	1991 Base	1991 Estimate	Increase/Decrease
Care of U.S. Prisoners.............	$143,587	$143,587	$178,034	$34,447

Long-Range Goal: To care for Federal prisoners in Marshals Service custody at a level which meets nationally accepted standards for detention or holding facilities.

Major Objectives:

To obtain adequate and sufficient detention space for prisoners in Marshals Service custody.

To improve the health care services provided Marshals Service prisoners held in non-federal facilities.

To ensure that qualified custodial guard services are obtained for prisoners undergoing medical treatment and in special detention centers.

To negotiate private sector contracts for the housing of minimum security alien material witnesses and their dependents as well as other prisoners in Marshals Service custody.

To enter into long-term guaranteed space agreements with State and local governments.

Accomplishments and Workload:

			Estimate	
Item	1988	1989	1990	1991
Facilities under Intergovernmental Service Agreement	835	845	855	875
Number of Contract Jail Days used	1,949,535*	2,478,146	3,140,000	3,764,696
Number of Federal Jail Days used	1,219,566	1,530,667	1,875,000	2,504,054
Average Jail Day Rate	$39.00**	$39.50	$41.48	$42.27
Average Stay (Days)	36.7	41.3	52.8	63
Number of Major Use Jails	232	246	260	275

* Count increased as jail days were paid.

** The Jail Day rate did not increase from 1987-1988, and averaged $39.50 for 1989. For 1990 and beyond a growth factor of 5 percent has been established, based on the high number of jails that are eligible to request rate increases.

Due to an increasing average daily prisoner population, the number of jail days continues to grow in excess of all projections. This increase is due in part to the implementation of the Sentencing Reform Act (SRA). The SRA is anticipated to have a continued impact on USMS's prisoner population in 1990 and 1991 in light of a recent report by the Administrative Office of the U.S. Courts indicating that one year after the implementation of the SRA (November 1987 to November 1988), only 25 percent of those sentenced were covered by its provisions. Based on the increased prisoner population growth experienced in 1989, and the continued impact of both drug enforcement initiatives and the SRA, the total number of inmate days is projected to reach 6,268,758 in 1991, a 25 percent increase over the 1990 level of 5,015,000.

The Comprehensive Crime Control Act, the Sentencing Reform Act, drug enforcement initiatives, and heavier security measures required by a more dangerous and violent prisoner population will extend the average stay by a minimum of 10.2 days per prisoner, resulting in large increases in detention costs. Also, continued significant increases in resources for the Federal investigative agencies, which in turn generate higher prisoner loads, have a direct impact on the Service's need for additional funds for prisoner guards, medical care, and jail bill payments. Lengthier, more complex trials with extensive pretrial production requirements and a resulting increased length of stay in jail per prisoner committed have increased the Service's daily prisoner load dramatically. From 1984 to 1991, the length of stay is projected to grow 142 percent (from 26 to 63 days).

The jail day rate is predicted to grow from $39.50 in 1989 to $42.27 in 1991. However, this relatively stable jail day rate growth has been more than offset by the rapid expansion in the number of contract jail days required. The level of increase is hard to predict because jails initiate rate increase requests. A major-use jail may suddenly request and justify a rate increase of 30-50 percent, which will have a significant impact on detention costs. In general, per diem rates of $50 are common, and some of the major-use jails have demanded rates of $80-101. For example, Multnomah County, Oregon, is receiving $97.55 (as no other facilities are available) and the City of Alexandria, Virginia (a CAP jail) receives $85 based on documented cost and pricing data. Lane County, Oregon (a CAP jail) documented and receives a rate of $76. Orange County, California, requested a rate of $113. This rate is being negotiated and no agreement has yet been reached due to disagreements on contract terms.

The Support appropriation historically pays State or local jurisdictions for the per diem cost of housing prisoners who are in the custody of the United States Marshals Service, i.e., generally prisoners awaiting trial or sentencing. These prisoners may also be housed in a Federal facility, generally a Bureau of Prisons (BOP) metropolitan correctional facility. The Bureau of Prisons is not reimbursed from the Support appropriation for providing this service.

In certain complex detention situations, State and local facilities have not been willing or capable of housing dangerous or high profile federal prisoners, particularly narco-terrorist groups. The Marshals Service has been forced in these instances to establish temporary detention units staffed by special operations group/deputy marshal personnel. In other instances, hybrid detention solutions have been accomplished involving the Federal Bureau of Prisons and state or local governments.

One example of such a hybrid arrangement is in connection with the trial of *United States v. Gerena* (Crim No H-85-50 TEC Connecticut). The District Court required that the defendants, "Los Macheteros" be housed in one facility near Hartford, Connecticut. No Federal, State, or local facility met the District Court's criteria. While the State was not willing to accept responsibility for the actual custody of this terrorist group, it did offer to provide a wing of the Hartford facility if it were operated by the Bureau of Prisons with 24-hour perimeter security provided by the Marshals Service. This is what is needed to be done to ensure the required security and detention for a terrorist group undergoing trial.

Other such situations which required the Service to develop extraordinary detention arrangements include the detention and trial of Carlos Lehder, a major international drug trafficker in Jacksonville, Florida and the operation of a special 24 hour detention unit at the Federal courthouse in San Juan, Puerto Rico for high security prisoners who (for their own personal safety) had to be housed separately from Commonwealth and other federal prisoners.

These examples demonstrate how the Support of U.S. Prisoners appropriation can be used in situations where there is either a hybrid detention arrangement involving both State and local and Federal elements, or where there is no Bureau of Prisons or State and local facility available and Federal agency personnel must provide the security services and detention facilities that are normally provided by a non-Federal institution.

Program Change:	1991 Base	1991 Estimate	Increase/Decrease
Care of U.S. Prisoners..........	$143,587	$178,034	$34,447

A program increase of $34,447,000 is requested for 1991 for the care of United States Prisoners Program. Of this increase $27,818,000 will assist the Marshals Service with its responsibility to care for Federal prisoners by providing 658,102 additional jail days at a rate of $42.27 per day, and $6,629,000 will be used for increased guard and medical expenses. Without the additional funding requested, the Service would have to divert more prisoners to already overcrowded Federal institutions where possible, as well as request that the courts release dangerous offenders on self recognizance.

	1990 Appropriation Anticipated	1991 Base	1991 Estimate	Increase/Decrease
Cooperative Agreement Program....	$14,850	...	$15,000	$15,000

Long-Range Goal: To provide funding to selected State and local governments for renovation and construction of detention facilities to obtain additional guaranteed jail space for Federal prisoners.

Major Objectives:

To encourage State and local governments to house Federal prisoners and to provide conditions of confinement and levels of inmate services which will be in compliance with acceptable detention standards.

To acquire guaranteed detention space in close proximity to the Federal courts in order to reduce the drain on Marshals Service resources for in-district handling and production of prisoners and to provide defendants with adequate access to counsel and to the courts.

To provide Federal excess property to facilities housing Federal prisoners, thereby improving conditions of confinement.

Accomplishments and Workload:

			Estimate	
Item	1988	1989	1990	1991
Average Daily Prisoner Population	8,857	11,740	13,916	16,279
Bedspace Shortfall	3,811	4,508	6,197	7,823
Cooperative Agreements Awarded*	13	19	21	11
CAP Beds Acquired	373	567	600	375
Jails Under Court Order**	150	199	220	227
Jails where Federal utilization has been restricted or terminated**	400	607	620	635
Contract Facilities receiving Federal Excess Property............................	359	377	400	420

* Includes funding modifications

** Count of jails has been increased significantly due to the result of a national survey conducted in March 1989 by Prisoner Operations Division staff to update Jail Contracting Management Information System data. Districts had not previously reported all jails where use was restricted/terminated. The continued rapid loss of jail space is due to increasing local overcrowding and an increasing Marshals Service daily prisoner population.

Producing prisoners in accordance with court calendars requires adequate detention space near Federal court cities. The dramatic growth in the average daily prisoner population (almost 6,400 new prisoners per day since 1984) generated by the Comprehensive Crime Control Act, Sentencing Reform Act, the Organized Crime Drug Enforcement Program, and recent anti-drug initiatives has consumed virtually all the guaranteed bed space gains (4,131 beds) made by the CAP program. Of further concern is the expiration of those low-cost and short-term CAP agreements negotiated in 1982. Of the beds acquired, 351 expired in 1989, necessitating that long-term CAP agreements be negotiated to replace them.

To reassess the extent of the Federal short-term detention space crisis and to develop a plan to accommodate projected prisoner load growth levels for the next five years, the Service updated a national detention space survey of all federal court cities in March 1989. The U.S. Marshal from each of the 95 districts provided estimated average daily prisoner population levels (for 1989-1995), resultant bed space shortfalls, assessments of each city's detention situation, and recommended solutions to the bed space shortages. In all, a total of 271 Federal court cities were covered in this survey.

It is also significant to note that the number of prisoners requiring detention space in Federal court cities in emergency detention status are projected to increase 379 percent from 1989 to 1995. Since the initial detention space survey was conducted, the Sentencing Reform Act (SRA) has been implemented and upheld by the Supreme Court. The adverse impact of SRA on the already critical jail space shortage has increased the Marshals Service daily prisoner population at least 20 percent, and increased the average stay by a minimum of 18 days.

The Bureau of Prisons' facilities are so overcrowded that little space is currently available for Marshals Service prisoners. From 1986 to 1989 the number of Marshals Service prisoners housed in BOP facilities declined 6 percent (from 27,831 to 26,366) as BOP institutions passed their saturation point. In 1985, 44 percent of the total Service inmate days were provided in BOP facilities; this declined to 38 percent in 1989, necessitating an increased reliance on the CAP program to generate more jail space. To obtain the necessary jail space, the Marshals Service has continued to seek bedspace in rural jails far from Federal court cities. This has resulted in a dramatic increase in Deputy staff time required for prisoner production as demonstrated by the fact that from 1986-88, 240 additional operational workyears were required for this function and overtime increased 76 percent.

Because of local governments' reluctance or inability to fund all locally required jail expansion projects, the CAP program (even if adequately funded) will be able to address only a small portion of the Federal detention needs. BOP detention construction is often the best solution for an area's detention space shortage. BOP plans to construct a total of 3,650 detention bedspaces with 1990 funds, and is requesting funding in 1991 to construct an additional 1,250 detention bedspaces. However, due to construction time these additional detention beds will not benefit the Marshals Service until 1993-1994.

Since its implementation in late 1982, CAP, even though limited by budgetary constraints, has met with very positive support from State and local governments. The most significant accomplishment is the stabilization of the loss of contract jail space for Federal prisoners. However, gains from the CAP Program have been overwhelmed by the dramatic growth in the average daily prisoner population. As a result, from 1980 to 1989, the number of facilities which restricted or terminated detention space increased 574 percent (from 90 to 607). The 1982 to 1991 CAP agreements are expected to generate about 5,100 guaranteed bed spaces for Federal prisoners in local jails in 110 Federal court cities at a cost of only $104.1 million. This represents an average cost of $20,400 per bed, well below the national average cost of $70,000 for new construction of maximum security bed space.

With more dangerous Federal prisoners being held by local jails in remote areas, the need for added security was met, in part, by the Marshals Service's use of the Federal Excess Property Program. Through special authorization obtained from the Department of Justice, surplus security equipment (walk-through and x-ray metal detectors) was furnished to 23 contract jails (15 major-use), enhancing the ability of those jails to handle dangerous offenders.

Program Change:	1991 Base	1991 Estimate	Increase/Decrease
Cooperative Agreement Program...............	...	$15,000	$15,000

A $15,000,000 increase in the Cooperative Agreement Program would enable the Service to obtain sufficient guaranteed bed space in local jails for its expanded revised prisoner population. Florida, Georgia, Indiana, Iowa, Kansas, Mississippi, Virginia, South Carolina, Tennessee, and West Virginia have been targeted as potential recipients for the 1991 funds. These agreements would involve cooperative construction to provide long-term guaranteed detention space for Federal prisoners. With the requested funding, the loss of essential local jail space would be stabilized somewhat during the 2-3 year period required to bring construction projects on line to support the projected surge in the Service's daily prisoner population. Without an adequately funded CAP Program, the Service will face severe bedspace shortages for years to come and potential disruption of Federal court schedules in those court cities with severe bedspace shortages.

United States Marshals Service
Support of United States Prisoners
Financial Analysis - Program Changes
(Dollars in thousands)

Item	Care of Prisoners	Cooperative Agreement Program	Total
Other personnel compensation.........	$ 200	...	$ 200
Total personnel compensation.........	200		200
Other services.......................	34,247	...	$34,247
Grants, subsidies and contributions..	...	$15,000	15,000
Total obligations, 1991..............	34,447	$15,000	$49,447

United States Marshals Service

Support of United States Prisoners

Priority Rankings

Base Program

Program	Ranking
Care of U.S. Prisoners	1

Program Increase

Program	Ranking
Care of U.S. Prisoners	1
Cooperative Agreement Program	2

United States Marshals Service
Support of United States Prisoners
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1989 Actual	1990 Estimate	1991 Request	Increase/Decrease
11.8 Special personal service payments	$3,393	$2,800	$3,000	$200
12.0 Personnel benefits	86	80	80	0
23.3 Communications, utilities and miscellaneous	6	...	...	
25.0 Other services	95,423	147,084 *	174,754	27,670
26.0 Supplies and materials	258	200	200	0
41.0 Grants, Subsidies and Contributions	6,750	19,156 *	15,000	(4,156)
Total obligations	105,916	169,320	193,034	23,714
Unobligated balance, start-of-year	(6,699)	(10,883)	...	
Unobligated balance, end-of-year	10,883	...	...	
Total requirements	110,100	158,437	193,034	
Relation of obligations to outlays:				
Obligations incurred, net	105,916	169,320	193,034	
Obligated balance start of year	32,332	24,372	77,477	
Obligated balance,end of year	(24,372)	(77,477)	(83,025)	
Adjustments to expired accounts	182	...	...	
Outlays	114,058	116,215	187,486	

* Differ from 1991 President's Budget Appendix in order to correct erroneous distribution of 1990 sequestration.

Department of Justice
United States Marshals Service
Assets Forfeiture Fund
Estimates for Fiscal Year 1991
Table of Contents

Item

	Page Number
Summary Statement	1
Justification of Proposed Changes in Appropriation Language	2
Crosswalk of 1990 Changes	3
Summary of Requirements	4
Justification of Program and Performance	6
Summary of Requirements by Grade and Object Class	10

United States Marshals Service

Assets Forfeiture Fund

Summary Statement

Fiscal Year 1991

The Marshals Service is requesting for 1991, $372,000,000 for the Assets Forfeiture Fund. This amount represents an increase of $15,153,000 over the 1990 availability.

Objective: To secure and maintain seized assets and to realize maximum benefits from the sale and disposal of such properties.

The Assets Forfeiture Fund has proven to be a very effective tool in promoting proper maintenance and sales of forfeited property and property subject to forfeiture. Before the passage of the Comprehensive Crime Control Act of 1984 (CCCA), expenses related to the seizure and forfeiture of property were paid from agencies' salaries and expenses appropriations. To the extent possible, costs were recovered from proceeds of sales of forfeited property. However, there was no guarantee that a forfeiture action would result in the sale of property, or that sales proceeds would cover all costs. Investigating agencies were reluctant to incur costs that might not be recovered, that could otherwise have been used for high priority investigations. Furthermore, agencies were unable to predict and budget for the expenses associated with the seizure and forfeiture of property.

Since the creation of the Assets Forfeiture Fund in 1985, forfeited cash and proceeds from the sales of forfeited properties have been deposited in the Fund, and are made available for payment of expenses necessary to seize, detain, inventory, safeguard, maintain, advertise, and sell property under seizure or forfeited under any law enforced or administered by the Department of Justice. Further, receipts are available to pay valid liens and mortgages against forfeited property, for the purpose of protecting innocent lienholders' interests and to facilitate the sale of forfeited property on terms most advantageous to the Federal government. Receipts are also available for making equitable sharing payments to State, local and foreign governments for participating in asset forfeitures.

The request for the Fund in 1991 provides that, to the extent that deposits to the Fund exceed the amounts needed for the management expenses described above, $100,000,000 will be available for selected categories of program related expenses, such as awards for information or assistance in drug enforcement cases; costs of equipping conveyances for drug law enforcement functions; the purchase of evidence of violations of the Controlled Substances Act or the Controlled Substances Import and Export Act; and other expenses authorized by 28 U.S.C. 524(c)(1),(A)(ii),(B),(C),(F),and(G).

Further, the Asset Forfeiture Amendment Act of 1988 provided that after all management and program-related expenses have been met at the end of 1990, 1991 and beyond, the Attorney General shall transfer excess amounts from the Assets Forfeiture Fund to the Special Forfeiture Fund for use by the Director of the Office of National Drug Control Policy. At the end of 1990 and 1991 respectively, it is projected that a transfer of $109,000,000 and $128,000,000 will be made to the Special Forfeiture Fund if there are sufficient excess receipts.

United States Marshals Service

Assets Forfeiture Fund

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in the appropriation language listed and explained below. Deleted matter is enclosed in brackets.

Assets Forfeiture Fund

For expenses authorized by 28 U.S.C. 524(c)(1)(A)(ii),(B),(C), (F), and (G), as amended, [$75,000,000], to be derived from the Department of Justice Assets Forfeiture Fund. $100,000,000

(28 U.S.C. 524; Department of Justice Appropriations Act, 1990; additional authorizing legislation to be proposed.)

[To fight the war on drugs, $25,000,000 for awards for information in drug cases, purchase of evidence for drug violations, equipping conveyances for drug law enforcement, and other expenses as authorized by 28 U.S.C. 524(c)(1)(A)(ii),(B),(C),(F), and(G), as amended, to be derived from the Department of Justice Assets Forfeiture Fund.]

[Department of Transportation and Related Agencies Appropriations Act, 1990.]

United States Marshals Service
Assets Forfeiture Funds
Crosswalk of 1990 Changes
(Dollars in thousands)

	1990 Presidents Budget Request			1990 Sequestration			1990 Appropriation Anticipated		
Activity/Program	Pos	WY	Amt.	Pos	WY	Amt.	Pos	WY	Amt.
Permanent Indefinite Availability Asset specific expenses (non-appropriated)..........	...	...	$261,230	...	...	-$3,328	...	...	$257,902
Current Definite Budget Authority Program-related expenses (appropriated)									
Automated data processing.....	...	...	10,100	...	...	-107	...	...	9,993
Awards........................	...	...	37,700	...	...	-398	...	...	37,302
Purchase of Evidence..........	...	...	13,600	...	...	-143	...	...	13,457
Equipping conveyances.........	...	...	24,000	...	...	-253	...	...	23,747
Training and printing.........	...	...	4,000	...	...	-42	...	...	3,958
Evidence Destruction & Storage	...	...	1,100	...	...	-12	...	...	1,088
Contracting for Services......	...	...	9,500	...	...	-100	...	...	9,400
Total, Program Related Expenses..................	...	...	100,000	...	...	-1,055	...	...	98,945
Total	...	...	$361,230	...	...	-$4,383	...	...	$356,847

United States Marshals Service
Assets Forfeiture Fund
Summary of Requirements
(In thousands of Dollars)

Estimates by Program	1989 Estimate	1990 Estimate	1991 Estimate
Unappropriated balance, start-of-year	$20,557	$ 18,598	$ 19,423
Collections/deposits/receipts	580,769	470,000	500,000
Total resources available	601,326	488,598	519,423
Transfer to Special Forfeiture Fund	...	-109,000	-128,000
Transfer to Salaries and Expenses, U.S. Attorneys	-30,000	...	...
Transfer to Bureau of Prisons Buildings and Facilities	-281,121	...	...
1990 Sequestration (P.L. 99-177 and 101-45	...	-3,328	...
Unappropriated balance, end-of-year	-18,598	-19,423	-19,423
Total available	271,606	356,847	372,000*
Obligations by Program			
Asset-Specific expenses: (indefinite authority)			
Equitable Sharing with State & local Governments	157,300	190,541	200,000
Asset management and disposal	30,384	52,991	57,000
Other asset specific expenses	13,371	14,370	15,000
Subtotal; Asset-specific expenses	201,055	257,902	272,000
Program-related expenses: (definite authority)			
Automated data processing	14,780	9,993	10,000
Awards	17,867	37,302	32,400
Purchase of evidence	9,316	13,457	13,600
Equipping conveyances	21,280	23,747	17,000
Training and printing	3,335	3,958	4,000
Evidence Destruction & Storage	720	1,088	2,000
Contracting for Services	3,253	9,400	21,000
Subtotal Program-related expenses	70,551	98,945	100,000
Total Obligations	271,606	356,847	372,000

*1991 obligations exclude $3,328,000 sequestered in 1990, but available for obligation in 1991.

United States Marshals Service
Justification of Program and Performance
Assets Forfeiture Fund
(In thousands of dollars)

Asset Forfeiture Fund	1990 Appropriation As Enacted	1991 Base	1991 Estimate	Increase/ Decrease
Definite Budget Authority	$ 98,945	$ 98,945	$100,000	$1,055
Permanent Indefinite Budget Authority	257,902	272,000	272,000	...
Total Budget Authority	356,847	370,945	372,000	$1,055

Long-Range Goal: To provide resources necessary to seize, manage and dispose of property seized for forfeiture under criminal law, including expenses of perfecting the forfeiture and recognizing legitimate interests of innocent third parties, and to provide central accountability for the management and use of forfeited cash and the proceeds of forfeited property. To the extent surplus funds are available, the Fund will provide a source of funds to assist in financing general forfeiture program expenses and investigative expenses.

Major Objectives:
To pay expenses for detention, inventory, safeguarding, maintenance of property seized for forfeiture and the disposal of forfeited property.

To pay case-related expenses for perfecting the forfeiture of seized property.

To ensure that valid third-party interests are not jeopardized unreasonably in the enforcement of forfeiture statutes.

To strengthen overall asset seizure and forfeiture efforts by funding certain program-related expenses allowable by statute.

To promote effective law enforcement by sharing amounts realized from forfeitures with State, local and foreign law enforcement agencies that contributed to the forfeiture.

To pay awards for information and assistance leading to civil or criminal forfeitures under the Comprehensive Drug Abuse Prevention and Control Act of 1970 or a criminal forfeiture under the Racketeer Influenced and Corrupt Organizations statute.

To equip conveyances for drug law enforcement purposes.

To assist in major investigations and prosecutions by making funds available to purchase evidence of violations of the Controlled Substances Act, the Controlled Substances Import and Export Act, RICO statutes, or criminal money laundering laws.

Base Program Description: Identifying, seizing, and forfeiting illegal assets plays an increasingly important role in the Federal Government's efforts to stop crime and punish criminals. Not until 1985 was there a suitable funding source to pay for expenses associated with asset management support for seizures and forfeitures. The Comprehensive Forfeiture Act of 1984 (P.L. 98-473, Title II, Chapter III) remedied this problem by creating the Assets Forfeiture Fund for the Department of Justice.

Receipts to the Fund from property forfeitures are the end result of a complicated and frequently long process typically involving a combination of State, local, and Federal investigators who locate, target, and seize forfeitable assets. After seizure, the Federal investigative agencies have a critical role in getting the legal forfeiture process started by: (1) providing personal notice to the owner, and advertising the seizure to the public; (2) handling claims for the property from owners, lienholders, and State and local agencies with an "equitable share" in the property; and, (3) if the forfeiture is uncontested, issuing a "Declaration of Forfeiture", closing out the case file, and notifying interested parties of the outcome. These Federal agencies (most significantly DEA) are already working at full capacity.

If the forfeiture is contested, or the value of the property exceeds a certain amount, then the case must be forwarded to a U.S. Attorney for the initiation of a forfeiture proceeding in Federal district court. In 1989, U.S. Attorneys received $22 million in appropriated funds to ensure adequate numbers of trained, experienced forfeiture litigation staff. Furthermore the U.S. Attorneys received a transfer of $30 million from the Assets Forfeiture Fund to use as needed.

It should be noted that Federal prosecutors are not alone in their increased expertise in forfeiture law and practice. Defense attorneys are also more knowledgeable and adept at strategies to defeat and frustrate the government. This has resulted in lengthier prosecutions; higher costs; and an increasing reliance on stipulated settlements and plea bargaining, resulting in the United States settling for the forfeiture of lesser amounts than it originally targeted and sought.

The Drug Enforcement Administration and the Federal Bureau of Investigation are experienced and successful in locating and targeting the assets of drug dealers. Prosecutors continue to use forfeiture more often, and have become innovative and energetic in applying the forfeiture provisions of drug laws. State and local agencies, as a result of the equitable sharing program, have increased their efforts to assist Federal drug law enforcement. The resulting growth in seized property leads to proportionate increases in associated expenses. Without the needed authority to expend monies from this self-sustaining program, seized property will deteriorate and depreciate, and the overall forfeiture program will decline.

Receipts: Estimates of receipts for 1990 and 1991 show a steady rise in income from forfeitures since the first full year the Fund was in operation. Income increased by about $22 million from 1986 to 1987; by more than $125 million from 1987 to 1988; and by nearly $400 million from 1988 to 1989; more than half of that increase ($222 million) was from a single RICO action against Drexel, Burnham, Lambert, Inc. The continued successful use of RICO could result in large future receipts to the Fund, provided victim restitution needs are satisfied.

- Although the value of property seized by the FBI for forfeiture is increasing approximately 50 percent each year, a significant amount (approximately 52 percent) results from RICO cases, many of which involve fraud. At this time the FBI has property named for forfeiture in RICO fraud cases which has a value exceeding $460,000,000.

Obligations: The amount requested for 1991 is essential if agencies are to continue to perform their missions at the current level.

Management of seized assets ($57,000,000): The primary purpose of the Department of Justice Assets Forfeiture Fund is to ensure an adequate and appropriate source of funding for the management and disposal of seized and forfeited assets. These expenses would otherwise be paid by seizing agencies out of budgets funded by taxpayer dollars. The Fund puts drug dealers' money to work for the taxpayer. The Department of Justice has successfully held management expenses to a minimum. Management expenses, excluding direct pay and associated costs, have increased an average of 38 percent each year from 1986 through 1989; during the same period, property in custody increased an average of 69 percent each year, and seizures increased an average of 53 percent. Furthermore, new requirements such as the requirement to assess environmental contamination at illegal drug manufacturing locations has resulted in increased management expenses.

Other Asset Specific Expenses (15,000,000): This category includes payments of amounts to satisfy third-party interests, including lienholders and other innocent parties, pursuant to 28 U.S.C. 524(c)(1)(D) and payments in connection with the remission and mitigation of forfeitures, pursuant to 28 U.S.C. 524(c)(1)(E). Normally, payments of liens are deducted directly from sales proceeds, using procedures customary in real estate settlements. However, in some cases forfeited cash and proceeds from the sale of forfeited property are first deposited to the Fund and then disbursements made to innocent lienholders. Also included are expenses incurred in relation to the prosecution of a forfeiture case or execution of a forfeiture judgment, such as travel and subsistence; translation services; and expert witness costs.

Equitable sharing payments ($200,000,000): Equitable sharing payments represent the transfer of portions of federally forfeited cash and proceeds from the sale of forfeited property to State and local law enforcement agencies that assisted in targeting or seizing the property. Most task force cases, for example, result in property forfeitures whose proceeds are shared among the participating agencies. Equitable sharing payments are expected to be 45-50% of net income.

Case-specific expenses:

ADP ($10,000,000): It is anticipated that funding for ADP equipment will decrease substantially in 1991 after an implementation of current forfeiture-related ADP initiatives.

The funds requested provide for new and upgraded hardware and software to provide automated support for processing forfeitures. The enormous growth in asset seizures and forfeitures has been accompanied by a similar growth in the number

OPENING STATEMENT

Mr. **Early**. We are extremely pleased to welcome for his first appearance before the committee the new Director of the U.S. Marshals Service, Michael Moore.

Mr. Moore, you may proceed any way you wish with your statement.

Mr. **Moore**. Thank you.

Mr. Chairman and members of the subcommittee, I am pleased to appear before you today in support of the 1991 requests for the United States Marshals Service. For 1991, we are requesting a total of 3,503 positions and $228.5 million for the Salaries and Expenses appropriation, $193 million for the Support of United States Prisoners, and an estimated $372 million in budget authority for the Department of Justice Assets Forfeiture Fund.

The fact that all of the participants in the administration of justice, judges, attorneys, investigative agencies and so forth continue to direct more attention to anti-drug activity requires that we respond in kind with improved security throughout the process.

With an estimated 70 percent drug-related workload by 1991, how the Marshals respond to this challenge and meet the full span of our responsibilities will do much to determine the outcome of the war on drugs and other criminal justice initiatives.

Almost three-fourths of the new resources sought improve the security and detention efforts required to sustain the judicial process. The remainder improves management of seized assets and provides necessary enhancement of administrative and support services. With this in mind, I would like to highlight the Marshals Service's 1991 resource requirements.

PROTECTION OF THE JUDICIAL PROCESS

Preserving the safety and integrity of the judicial process remains the Marshal Service's highest priority. The recent bombings in the Eleventh Circuit and the attendant rise in threats nationwide focus attention on the fragile nature of the judicial process.

Next year, time devoted to criminal proceedings will increase 20 percent above the 1989 level. Two-thirds of the proceedings will be drug-related. This foreshadows our requirements. For 1991, an additional 99 positions and $15.8 million are requested to provide the judicial, witness and prisoner security measures necessary to support this effort.

PRISONER TRANSPORTATION AND DETENTION

Prisoner transportation and detention requirements must be considered in tandem with security responsibilities. The resource drain is two-fold, affecting both the Marshals Service and Support of Prisoners appropriations.

For 1991, 49 positions and $13.3 million is requested for the Marshals Service appropriation for prisoner transportation and detention requirements. Approximately $10 million are for badly-needed infrastructure improvements, including cell-block construction and replacement of obsolete vehicles. The remainder supplies the deputies, and the resources needed to bring prisoners to and from jail and court, and inspect the State and local jails where they are detained.

In addition to the transportation and detention requirements borne by the Marshals Service appropriation, the staggering growth in the prisoner population and length of stay place increased demands on the Support of U.S. Prisoners appropriation. Costs associated with the care and housing of these prisoners will consumer $178 million of the $193 million requested for this appropriation in 1991. The remaining $15 million are sought for Cooperative Agreement Program projects. These funds will allow the Service to secure bed space in areas in the South and Midwest, which now lack adequate detention space near Federal Court cities.

FUGITIVE APPREHENSION

The Marshals Service will arrest over 18,000 fugitive felons in 1991. Over 65 percent of those arrested are wanted for drug-related offenses. Since August, 1988, the Marshals Service has been responsible for most of the Drug Enforcement Administration's felony fugitive warrants. This adds some 8,000 warrants a year for the Marshals Service fugitive caseload.

Another major Marshals Service responsibility directly related to the drug war is extradition authority. The sudden change in Colombia's extradition authority will require the Service to transport as many as 100 major drug figures in 1990. No additional resources are requested for fugitive apprehension in 1991; rather, a program decrease of 87 positions and $5.4 million is proposed.

SEIZED ASSET MANAGEMENT

As the War on Drugs advances, the Marshals Service Seized Asset Program continues to yield outstanding results. Resources previously provided the U.S. Attorneys and others for accelerated forfeiture activity have already borne fruit: the docket is full of forfeiture cases. It is not just what has been done, however, but what must continue to be done that will gauge the success of the program.

For 1991, the Service requests an additional 134 positions and $6.2 million to address these management concerns vis-a-vis the burgeoning inventory. These resources will deploy another 44 seized asset management units in high-volume districts.

D.C. SUPERIOR COURT

The difficulties facing this court cannot be overstated. The District of Columbia leads the Nation in the per-capita murder rate where at least two-thirds of these crimes are drug-related. Some 200,000 prisoner productions will be performed in 1991 before some 65 judges and 15 magistrates, who sit in session 6 days a week.

In 1991, 35 positions and $1.5 million are requested to address this urgent situation.

MANAGEMENT AND SUPPORT SERVICES

Many of the deficiencies noted here were cited both in last year's Department of Justice audit of Marshals Service activities and previous budget submissions.

For 1991, 23 positions and $6.2 million is sought for improvements in these areas. Of this amount, $5.1 million is for ADP and radio hardware necessary to replace and upgrade an aging inventory. Another 23 positions and $1.1 million are requested for personnel and support services necessary to sustain the operational mission.

This concludes my statement, Mr. Chairman. I will be pleased to answer any questions the subcommittee may have.

[Mr. Moore's prepared statement follows:]

DEPARTMENT OF JUSTICE
UNITED STATES MARSHALS SERVICE

STATEMENT OF THE DIRECTOR
K. MICHAEL MOORE
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you today in support of the 1991 requests for the United States Marshals Service. For 1991, we are requesting a total of 3,503 positions and $288.5 million for the salaries and expenses appropriation, $193 million for the Support of United States Prisoners, and an estimated $372 million in budget authority for the Department of Justice Assets Forfeiture Fund.

The Marshals Service's request for its operating account is 253 positions and $50.7 million above the 1990 appropriation, including program changes totalling 253 positions and $37.6 million. For the Support of U.S. Prisoners $34.6 million above the 1990 appropriation is requested, which contains $15 million for the Cooperative Agreement Program (CAP). The Assets Forfeiture Fund total is $15.2 million more than this year's level and includes a total of $100 million in definite budget authority, $1.1 million above the 1990 level.

As you know, Marshals Service responsibilities bridge the Executive and Judicial branches, affecting both the quality and substance of justice served. Whether fulfilling a prisoner's right to due process, maintaining a secure and open court environment, capturing a fugitive, or safeguarding members of the judiciary, the Marshals Service protects basic constitutional rights.

What others accomplish does much to determine our level of effort. The fact that all of the participants in the administration of justice process (the judges, attorneys, investigative agencies, and so forth) continue to direct more attention to anti-drug activity requires that we respond in kind, with improved security throughout the process.

Never before was the challenge so formidable. With an estimated drug-related workload of 70 percent by 1991, how the Marshals respond to this challenge and meet the full span of our responsibilities, will do much to determine the outcome of the War on Drugs and other criminal justice initiatives. With this in mind, I would like to highlight the Marshals Service's 1991 resource requirements.

Protection of the Judicial Process

Preserving the safety and integrity of the judicial process remains the Marshals Service's highest priority. For 1991, an additional 99 positions and $15.8 million are requested in support of this effort. Protection of the Judicial Process includes three major program activities: Judicial, Witness, and Prisoner Security.

Judicial Security

The recent bombings in the 11th Circuit and the attendant rise in threats nationwide focus attention on the fragile nature of the judicial process. Next year, time devoted to criminal proceedings will increase 20 percent above the 1989 level; two-thirds of the proceedings will be drug-related.

What was once unusual is now commonplace. Prolonged, multiple defendant trials occur in nearly every district. None have the in-house capacity to address emergency security requirements. Yet that is exactly what is needed.

The case of USA v. Ted O'Neill involves 181 defendants, 41 of whom are in custody. Charges against them run the gamut of crime: narcotics violations; association with the Irish Republican Army, Manuel Noriega, motor cycle gangs; plus, ties to organized crime. The trial began in October and is expected to continue another five months. The venue is a Marshals Service sub-office with three deputy Marshals assigned on a full time basis.

Stringent security requirements are also needed for one of O'Neill's alleged associates, Manuel Noriega. The proceedings and associated precedents have few equals during this century. Add to this the international attention and symbolism surrounding this deposed general/reputed drug lord, and you have the most and

and urgency of requests for information -- these requests range from demands for information from persons contesting the forfeiture of property to wide ranging requests from Congressional committees and members of Congress, to program managers' requirements for status and activity reports.

Training ($4,000,000): Training will continue to be a priority, due to the constant evolution and development of asset forfeiture law and policy, and because of the addition of new staff. Funding provides for a variety of essential training: for individualized agency courses, such as DEA's Asset Removal Training, which focus on particular aspects of agencies' procedures; for training in operation and using administrative and computer systems, such as INS's seized vehicle information system (SEVIS); for basic and advanced legal training for U.S. Attorneys' staffs; and for multi-agency (Federal as well as Federal/State/local agencies), inter-disciplinary seminars that ensure proper coordination and cooperation exist.

Awards for information ($32,400,000): The two categories of awards payable from the Assets Forfeiture Fund directly support drug law enforcement efforts by encouraging the cooperation and assistance of informants. The two categories are: (1) for information or assistance related directly to the forfeiture of property; and (2) for information or assistance related to a violation of criminal drugs laws including information leading to the arrest and conviction of anyone who kills or kidnaps a Federal drug law enforcement agent.

Equipping conveyances ($17,000,000): This category provides funding to drug law enforcement agencies to equip certain communication equipment for agency operated conveyances. This funding has been used for emergency and communications equipment, for voice privacy and surveillance equipment, for armoring; for engine upgrades and avionic equipment for aircraft. Further, the funding has been utilized for special projects, such as the funding in 1989 for equipping six helicopters for use in Peru and Bolivia in Operation SNOWCAP and other drug enforcement activities.

Purchase of Evidence ($13,600,000): The Fund may also be used to purchase evidence of violations of the drug laws, of the RICO statute, and of criminal money-laundering laws.

Storage, protection and destruction of controlled substances ($2,000,000): This expense is in actuality an uncontrollable, asset-specific type of expense consisting of (1) the costs of warehousing, guarding and the (2) costs associated with the removal, transportation and disposal of controlled substances as well as "precursor chemicals" and other hazardous materials seized at clandestine lab sites.

Special Contract services ($21,000,000): The funds requested will provide contract employees to agencies to assist in the legal and administrative processing of asset seizures and forfeitures, and in providing data entry and analysis assistance.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Program related expenses.....................	...	...	$98,945	...	...	$100,000	...	...	$1,055

An increase of $1,055,000 is requested in program related expenses to fund the categories of automated data processing, awards, purchase of evidence, equipping conveyances, training and printing, evidence storage and destruction, and contracting for services.

United States Marshals Service

Assets Forfeiture Fund

Summary of Decision Unit Resources by Object Class

(Dollars in thousands)

Object Class		1989 Actual Amount	1990 Estimate Amount	1991 Estimate Amount	Increase/Decrease Amount
11.5	Other personnel compensation.........	0	0	0	0
11.8	Special personal services payments...	661	821	917	96
	Total, personnel compensation........	661	821	917	96
12.1	Personnel benefits...................	6	6	8	2
21	Travel and transportation of persons..........................	5,246	8,177	9,125	948
22	Transportation of things.............	332	430	480	50
23.2	Rental payments to others............	1,970	2,658	2,967	309
23.3	Communications, utilities and miscellaneous charges..............	492	662	737	75
24	Printing and reproduction............	15	15	16	1
25	Other services.......................	248,553	330,333	345,741	15,408
26	Supplies and materials...............	390	269	300	31
31	Equipment............................	13,826	13,456	15,013	1,557
43	Interest and dividends...............	115	20	24	4
	Total obligations..................	271,606	356,847	375,328	18,481
Relationship of obligations to outlays:					
	Obligated balance, start of year.........	37,529	67,293	252,775	
	Obligated balance, end of year...........	-67,293	-252,775	-307,938	
	Outlays..............................	241,842	171,365	320,165	

demanding security requirements ever afforded a single individual.

Unfortunately, there is a situation more acute which cuts to the basic integrity of the judicial process. The December bombings and resultant murders of Judge Vance and Mr. Robinson in the 11th Judicial Circuit spawned a wave of threats previously unknown. Through February, 224 threats against the judiciary had been received nationwide; 41 were in the 11th circuit. The national total to date in 1990 exceeds that of all threats received in 1988, and, if it continues at the current rate, it will double last year's total. The security demands of this emergency cannot be overestimated. Currently, every member of the 11th circuit, and many of their family members, are under Marshals Service protective custody.

These examples foreshadow our 1991 requirements. Of the 61 positions and $3.7 million sought for this element, 51 positions and $3.3 million will be devoted to improved security--including courtroom security, protective service details and enhanced threat analysis. Another 10 positions and $423,000 are required to expedite security investigations for operational employees.

Witness Security

In 1991, another 240 individuals will enter the Witness Security Program, raising the cumulative total to nearly 6,000 primary witnesses since the program began. (Another 6,400 family members will also receive protection.) This program continues to be a leading weapon in the Government's arsenal against crime.

This is especially true in drug-related cases where about 80 percent of the new protected witnesses appear. In cases where they testify, nine out of ten result in conviction.

Of particular concern is the level of support services required to sustain these witnesses under a new identity. An average witness receives funding for 17 months; currently there are nearly 1,000 active witnesses. Protection, however, remains a life-long commitment.

The number of "second generation" witnesses (the sons and daughters of original witnesses) continues to grow. The program also reflects the crimes of terrorism and drugs exported to our shores; most of the newly accepted witnesses are foreign born. Each group has a special set of documentation and security needs. Both make the job of protection increasingly problematic.

An additional 8 positions and $268,000 are sought for witness security in 1991, to provide improved identity, employment and relocation services for this diverse witness population.

Prisoner Security

The final component of the security triad is prisoner security. Last year, the Marshals Service received over 82,000 individuals charged with violation of Federal law. On any given day, the prisoner population approached 12,000. In 1991, the number of individuals received will stay about the same, but the average daily custody count will exceed 16,000, a one-third increase in two years. Similarly, prisoner productions (presentation of prisoners for court appearances and elsewhere) will exceed 600,000, nearly twice the 1988 level.

It is not just the sheer numbers but the caliber of the defendant that is cause for alarm. Every pre-trial hearing for Manuel Noriega is a media event--and a complex security operation. We anticipate 20 such hearings the rest of the year, lasting as long as a week in duration. Upwards of 40 deputies are required for each appearance. From the extreme security provided one defendant, we have the other extreme, multiple-defendant proceedings, such as for Terry O'Neill and Rayful Edmonds, each with as many as 25 defendants at once. A security complement exceeding the number of defendants is required for each appearance.

There is something else Noriega and others have in common: all appear in courthouses at least a generation old, never designed for today's stringent security requirements. In such courthouses nationwide, a heavy price is exacted simply to provide the security necessary to ensure justice.

For 1991, 30 positions and $11.9 million are needed to address these prisoner security demands. Of this amount, 30 positions and $1.9 million will improve security while prisoners are in courtrooms and adjacent areas. Another $1 million is for installation of security systems in courthouses and prisoner areas.

Finally, $9 million will provide for renovation and construction of courtroom holding cells and secure prisoner passageways. This includes a one-time expense of $5 million for construction of a secure prisoner elevator in the Federal courthouse at Foley Square, New York. The remainder represents the first installment of a three-year program to repair 57 holding cells and construct 232 new ones in courthouses slated to see a surge in multiple-defendant proceedings.

Prisoner Transportation and Detention

Prisoner transportation and detention requirements must be considered in tandem with security responsibilities. While we are attempting to address the first part of the equation (security), getting prisoners to and from court and finding suitable detention space are increasingly beyond our control.

The prisoner population and production statistics cited above reveal half the story. Full costs emerge when you review how deputies must travel farther and farther to find suitable, available jail space, simply to serve a growing number of prisoners and an ever expanding criminal docket.

This is now a nationwide routine. All over the country deputies, in vehicles beyond their useful life, begin each day early in the morning and end late at night transporting prisoners from jail to court and back. Deputies from Rhode Island and Massachusetts, for example, go to Danbury and Hartford. In Oregon, they travel to near the Canadian border. Puerto Rico's Federal prisoners are housed on the mainland in Miami and New York. The resource drain is two-fold, affecting both the Marshals Service and Support of Prisoners appropriations.

This detention crisis is not confined to jail space, however. Over 80 percent of the holding cells in Marshals Service district offices fail to meet basic Federal security and safety standards, rendering them of little use as short-term detention facilities. They are being pressed into service, nonetheless, as the War on Drugs escalates.

For 1991, a net increase of 49 positions and $13.3 million is requested for the Marshals Service appropriation for prisoner transportation and detention requirements. The majority of these resources are for badly needed "infrastructure" improvements.

This includes $3.9 million, the first part of another three-year installment, to renovate and construct Marshals Service detention cells and cellblocks for temporary security for prisoners in the Service's custody. cellblocks and provide new cells. Another $6 million allows for orderly replacement of the obsolete vehicle fleet used to transport defendants in custody.

The remaining enhancements requested for this program include 42 positions and $2.7 million for the deputies and the overtime and travel costs associated with the far reaching requirements to bring prisoners to and from jail and court. Necessary inspections of State and local jail facilities used to house these Federal prisoners will be conducted with the additional 7 positions and $447,000 requested for this activity. Finally, 6 positions and $203,000 will expand operation of the National Prisoner Transportation System (NPTS) to assist in the local (in-district) movement of prisoners, a phenomenon increasingly regional in scope.

In addition to the transportation and detention requirements borne by the Marshals Service appropriation, the staggering growth in the prisoner population and its length of stay place increased demands on the Support of U.S. Prisoners appropriation. By 1991, some 3.8 million "jail-days" will be consumed in State and local facilities, 52 percent higher than the 1989 level. The daily rate will be $42.27 a day/per prisoner, some $2.77 above last year's 1990 or 1989 rate. Costs associated with the care and housing of these prisoners will consume $178 million of the $193 million requested for this appropriation in 1991.

The remaining $15 million are sought for Cooperative Agreement Program (CAP) projects. These funds will allow the Service to secure bedspace in areas in the South and Midwest which now lack adequate detention space near Federal court cities.

Fugitive Apprehension

The Marshals Service will arrest over 18,000 fugitive felons in 1991; almost two-thirds of those arrested are wanted for drug-related offenses. Since August, 1988, the Marshals Service has been responsible for most of the Drug Enforcement Administration's (DEA) felony fugitive warrants. This adds some 8,000 warrants a year to the Marshals Service fugitive caseload.

Another major Marshals Service responsibility directly related to the drug war is extradition authority. The sudden change in Colombia's extradition policy will require the Service to transport as many as 100 major drug figures in 1990. Among the "extraditables" already brought to the United States are Jose Raphael Abello-Silva, and Victor Eduardo Mera-Mosquera, both high on DEA's priority list.

As a result of the increase for fugitive apprehensions granted in the President's 1990 Violent Crime Initiative, no additional resources are requested for fugitive apprehension in 1991. Rather, a program decrease of 87 positions and $5.4 million is proposed.

Seized Asset Management

As the War on Drugs advances, the Marshals Service's seized asset program continues to yield outstanding results. Every Assets Forfeiture Fund workload and financial indicator underscores the success of this program.

When compared to 1989 levels, total properties seized in 1991 will have doubled, properties in custody will have increased by one-half, and total properties sold will have tripled. Likewise, equitable sharing transfers to State and local agencies will number 20,000, almost twice last year's record.

The inventory and balance sheets are just as impressive. The value of inventory on-hand has risen three-fold since 1986. Today it stands at $1.2 billion, and is projected to reach $1.8 billion in 1991. The coffers, too, have grown rapidly. Next year, $500 million in receipts are expected to accrue from disposition of forfeited assets; in 1986 net income was $93.7 million.

Resources previously provided the U.S. Attorneys and others for accelerated forfeiture activity have already borne fruit: the docket is full of forfeiture cases. It is not just what has been done, however, but what must continue to be done that will gauge the success of the program. If the inventory is to be managed in a business-like manner and prompt disposition realized after forfeiture, additional Marshals Service resources are required.

For 1991, the Service requests an additional 134 positions and $6.2 million to address these management concerns vis-a-vis the burgeoning inventory. These resources will deploy another 44 seized asset management units in high-volume districts. These asset management units (including business managers, deputies, and fiscal/procurement analysts) work in concert with the U.S. Attorneys and DEA and FBI Asset Removal Teams to ensure coordinated planning throughout the process, from pre-seizure planning to ultimate disposition of the asset. Only by employing sound business practices will the income to the Assets Forfeiture Fund continue to be realized, and the benefits enjoyed by the entire law enforcement community.

D.C. Superior Court

The Marshals Service performs unique services for the District of Columbia. The United States Marshal for D.C. Superior Court acts as "sheriff" for the Nation's Capital. In that capacity, the Marshal must respond to situations confronting a major metropolitan police force, as well as the traditional duties required of all U.S. Marshals.

The complexities of this situation cannot be overstated. The District of Columbia leads the Nation in the per capita murder rate where at least two-thirds of these crimes are drug-related. Some 200,000 prisoner productions will be performed in 1991, before some 65 judges and 15 magistrates who sit in session six days a week. The District will serve over 10,000 pieces of process and conduct an estimated 20,000 evictions next year. Under these extreme working conditions, as many as ten prisoners are escorted to and from court by a single deputy. Given the chronic workload and acute staffing shortage, a backlog of 3,000 felony warrants goes unaddressed.

In 1991, 35 positions and $1.5 million are requested to address this urgent situation. These resources will be deployed in the cellblock and also to provide added security for prisoner transportation and safety in the courtroom.

Management and Support Services

Operational demands have outpaced logistical support to such a degree that substantial improvements must be made in basic management and support areas if the Service is to maintain successful program operations. A total of 23 positions and $6.2 million are sought for 1991. Many of the deficiencies noted here were cited both in last year's Department of Justice audit of Marshals Service activities and previous budget submissions. Again, "infrastructure" problems assume critical importance.

Both the Service's digital voice privacy (DVP) radio system (initiated in 1980) and the ADP system are fragmented and incomplete. The radio system stands 85 percent complete, just at the time obsolescence requires replacement of the equipment installed a decade ago. Many dead spots remain, particularly in the larger, more remote areas of the mid and upper West.

Although there were significant ADP achievements last year, (all Districts were fully automated, for example) advances in this field, plus urgently needed systems integration must be recognized before the Service realizes significantly improved operations.

For 1991, $5.1 million is sought for improvements in these areas. Of this amount, $3.3 million is for various ADP improvements, including: expanded applications for District automation, secure modems, and upgraded equipment to support field operations ($2.6 million); and equipment software upgrades and networking in Headquarters ($700,000). Another $1.8 million will provide the base stations and repeaters needed to complete the Marshals Service's DVP radio system.

Finally 23 positions and $1.1 million are requested for personnel, financial management and other support services, heretofore lacking, but necessary to sustain the operational mission.

Conclusions

In summary, from its vantage point in the criminal justice system, the Marshals Service sees first-hand how the system is responding to the War on Drugs and other crises, and those areas that must be shored--within the Marshals Service and elsewhere--if the framework of justice is to be maintained. With the resources cited in this request, I am confident we can fulfill our responsibilities in this effort and support all others who depend on us throughout the process.

This concludes my statement, Mr. Chairman. I will be pleased to answer any questions the Subcommittee may have.

BIOGRAPHY OF K. MICHAEL MOORE

K. Michael Moore was selected by President Bush to be the first Presidentially-appointed Director of the U.S. Marshals Service in November 1989.

Moore was born in Coral Gables, Florida on July 17, 1951. He received his B.A. degree from Florida State University in 1972 and a Juris Doctor degree from Fordham Law School in 1976.

Moore joined the Department of Justice in 1976 as an Assistant U.S. Attorney for the Southern District of Florida, where he handled a variety of significant cases in the Miami area. In 1981, Moore was promoted to Supervising Assistant U.S. Attorney for the Northern District of Florida in Tallahassee. In June 1982, he was selected as the court-appointed U.S. Attorney for the Northern District, and then he served as Chief Assistant under the U.S. Attorney.

In 1987, Moore was appointed as U.S. Attorney for Northern Florida. He has been called on to evaluate the performance of various U.S. Attorney's offices throughout the United States on behalf of the Executive Office of U.S. Attorneys, and has been a lecturer to law enforcement training classes at the Federal Law Enforcement Training Center in Glynco, Georgia, and to the Florida Department of Law Enforcement. While U.S. Attorney, Moore was appointed by Attorney General Dick Thornburgh to the Attorney General's Advisory Committee of U.S. Attorneys, and served both as Chairman of the Office Management subcommittee and as a member of the Budget subcommittee.

Moore and his wife Catherine have four children.

BIOGRAPHY OF JOHN J. TWOMEY

John J. Twomey was appointed to the position of Deputy Director, United States Marshals Service on August 6, 1976. Prior to this appointment, he served as the United States Marshal for the Northern District of Illinois from 1973 to 1976.

Mr. Twomey began his career in 1959 as a criminologist with the Illinois Department of Public Safety. In 1968, he became the Chief of Professional Services in the Illinois Department of Corrections. He later directed the Escape and Apprehension Unit and the Internal Affairs Division prior to serving as Warden of the Joliet and Stateville penitentiaries.

Mr. Twomey was born in Beverly, Massachusetts on November 1, 1936. He graduated from Loras College, Dubuque, Iowa with a BA in 1958. He received an MS in Administration (1966) and an MA in Criminology (1973) from Southern Illinois University, Carbondale, Illinois. Mr. Twomey served in the United States Military Counter Intelligence Corps from 1959-62.

Mr. Twomey has authored numerous articles for professional journals of Criminal Law and Criminology. He is a member of the American Society of Criminology, the International Academy of Criminology and the International Association of Chiefs of Police. In 1986, President Ronald Reagan presented to him the Distinguished Presidential Rank in the Senior Executive Service, the highest recognition awarded to career federal employees.

PRISONER TRANSPORTATION

Mr. EARLY. Thank you, Mr. Moore. We welcome you to the committee.

I am very impressed with your biography. You certainly bring to this very responsible position the background that is needed.

Chairman Smith and the ranking member Mr. Rogers are totally supportive of all the support agencies and staff that are part of the justice system. We talk an awful lot, and the media reports a lot, about the Judiciary, but if there is any weak link, whether it is the Marshals Service, the Parole Commission or whatever, the system does not work well.

Personally, I have many concerns about your budget. I hope that is a mistake regarding the District of Columbia. You say that under these extreme working conditions, as many as 10 prisoners are escorted to and from court by a single deputy.

Mr. MOORE. That is not a mistake.

Mr. **Early**. That is not fair to the one Marshal. How can he be responsible for policing 10 of these individuals?

Mr. **Moore**. It is a reflection of the resources that have been allocated to that task and prioritized with the other responsibilities that the Service has.

Mr. **Early**. Recently, before you came aboard, this Committee heard of an incident, a tragedy, where an inmate was being transported by a private guard service, I believe, and the fellow escaped, and a murder was committed. To suggest that you can provide the necessary supervision and security with one man for 10 prisoners is not good.

Mr. **Moore**. I would not have found that to be a good or acceptable practice.

Mr. **Early**. Mr. Moore, you need major changes. In just my State of Massachusetts, we have no facilities with space, Mr. Rogers, and prisoners are sent to Danbury, Connecticut as a holding station. Then you have to send a Marshal—how long does it take a Marshal? It has to be a 4-hour trip one way and a 4-hour trip back.

Mr. **Moore**. The problem you are describing is one that is occurring, unfortunately, throughout the country.

Mr. **Early**. I know you do this in other areas where the same problem exists, and you have to transport a prisoner a significant distance from the court. I don't know how you are going to do it, if, for example, there are several prisoners that have to come from Danbury for trial that particular day, and there isn't a place to house them when you get there. I mean, I just don't know how the system is going to work.

Mr. **Moore**. In my short tenure in the position, I have identified and you have identified prisoner transportation as the most critical problem facing the Marshals Service and it is my intention to elevate the awareness, both within the Congress and the Administration, as to the severity of the problem. I would be happy to provide you with those examples.

Mr. **Early**. I would like them for the record.

[The information follows:]

Prisoner Transportation and Detention

Virtually every Federal court district in the Northeast is experiencing prisoner transportation problems. All of Providence, Rhode Island's male prisoners are housed either in Hartford or Danbury, Connecticut.

Philadelphia, New York City and Brooklyn transport female prisoners to the Federal woman's prison located in Morgantown, West Virginia. Over 66 male prisoners awaiting trial in Philadelphia are housed in Otisville, New York. The District of Delaware has been forced into placing pretrial prisoners in the Federal facility located in Petersburg, Virginia.

The transportation problem is becoming more and more national in scope, forcing the reassignment of Deputy Marshals from other program responsibilities such as court security, fugitive apprehensions and asset seizure work. Deputies in Brownsville, Texas, move prisoners all the way to contract jails north of Houston while El Paso Deputies commute to and from Pecos, Texas.

Seattle personnel make prisoner runs to the City of Bellingham near the Canadian border and Portland, Oregon. Deputies make transports of 100 miles round trip to the new Federal institution at Sheridan, Oregon.

Similar critical problems exist in Kansas City, Missouri; Milwaukee, Wisconsin; Cleveland, Ohio; Memphis, Tennessee; Utica, New York; and scores of other cities where there is no local jail space available for the housing of Federal prisoners.

PROTECTION OF THE JUDICIAL PROCESS

Mr. EARLY. You are requesting an increase of $15.8 million for protection of the judicial process. Are these additional funds required because of the increase in the number of drug-related trials or because of the type of trials?

Mr. MOORE. Congressman, I think it is both. We are seeing an increase in the number of drug-related trials and a change in the nature of the drug-related trials, both the length of those trials and the number of defendants and the nature of the charges. They are no longer simple possession with intent to distribute counts, but you see increasingly complex counts, such as RICO, continuing criminal enterprise counts.

You also see an increased tendency, because of the sentencing guidelines, of a willingness to go to trial, because of the consequences that a conviction will bring now, in terms of the sentence that will be imposed. So, there is no one factor you can look to in the history going back to 1984 that has caused this increasing trend for longer trials, more narcotics trials.

Mr. EARLY. But you haven't identified one thing that has reduced the necessity for the Marshals Service, have you?

Mr. MOORE. None.

Mr. EARLY. The rash of bombings directed at Federal judges occurred subsequent to the submission of this budget. Are you formulating any proposals to improve judicial security?

Mr. MOORE. Obviously, we have placed a tremendous emphasis and attention as a result of this tragedy. I have met personally with each of the judges in the Eleventh Circuit, also with the Marshals in the Eleventh Circuit. I have also met with the Security Committee of the Judicial Conference on two occasions.

We are working hard to make sure that we not only have the protective details in place for each of these judges that are in the Eleventh Circuit, but that we also have the equipment to provide the necessary infrastructure security support.

Mr. EARLY. Mr. Moore, knowing your responsibilities, I would assume that the bombing incident in Alabama has had a tremendous impact on the use of manpower in your agency.

Mr. MOORE. That is correct.

Mr. EARLY. Will you provide for the record how many people you have had to assign to that district, how long they have been there, and what you expect to have to do at other courts?

Mr. MOORE. I would be happy to.

Mr. EARLY. Fine.

[The information follows:]

PROTECTION OF THE JUDICIAL PROCESS

As of March 19, 1990, there are 84 Deputy U.S. Marshals devoted to the Eleventh Circuit Court of Appeals judicial protection details. The host districts provide 31 deputies and another 53 travel from other districts every three weeks to supplement the manpower shortage in the Eleventh Circuit districts.

These details have been ongoing since December 17, 1989.

If a similar situation with a high threat level develops in another location, the U.S. Marshals Service would provide the same judicial protection services.

PROPOSED SUPPLEMENTAL

Mr. EARLY. Are there any proposed supplemental requests planned to fund any judicial security improvement?

Mr. MOORE. We are currently monitoring all of our spending in this area and have taken the necessary action to curtail discretionary spending and to eliminate some of our activities in those areas, so that we can continue to focus on our primary mission, which is the protection of the judiciary.

Again, as I say, we are establishing our program priorities with judicial protection and they are being reviewed and assessed continuously. It is a significant drain on us and it is something that we have to watch very carefully throughout the remainder of this fiscal year.

PROGRAM REDUCTION

Mr. EARLY. You recommend a program reduction of $5.4 million in the fugitive apprehension program, based on an anticipated decline in the backlog of felony arrests. Why do you believe that backlog will decline?

Mr. MOORE. Our figures right now show a slight decline from 1989 to 1990. We anticipate a further clearing of some of those felony warrants. We have focused in this area in the past and expect increased productivity through the use of automated information systems, electronic surveillance, informant payments, and special task forces that have received considerably good publicity throughout the country. These efforts are designed to focus all limited resources in a way that is most creative to apprehend the fugitives.

Mr. EARLY. Has there been any noticeable decline in the backlog over the past year? Why don't you provide that information for the record, Mr. Moore, the number in the existing backlog for the last three years?

Mr. MOORE. Yes, sir.

[The information follows:]

FUGITIVE APPREHENSION

The backlog of primary fugitive felony warrants for the last three years is as follows:

	1987	1988	1989
Onhand end of year	10,330	10,896	15,946

1989 reflects the first full year of responsibility for DEA warrants.

BACKLOG OF FELONY WARRANTS

Mr. EARLY. Would it make sense to retain the $5.4 million in 1991, in order to make an even larger reduction in the warrant backlog?

Mr. MOORE. The backlog could certainly be reduced with additional resources. However, in presenting the 1991 budget, there are higher priority areas where these resources should be deployed and I am referring specifically to the judicial security, the prisoner transportation, and the prisoner detention that you referred to earlier.

Mr. EARLY. For the record, is there an acceptable level for backlog in felony warrants, and, if so, what is that level and what funding above your current 1991 request would you require to achieve that level? Why don't you provide that for the record?

Mr. MOORE. Yes, sir.

[The information follows:]

FUGITIVE APPREHENSION

There is no "acceptable" level for a backlog of felony warrants. However, the present program level should allow us to continue to reduce this backlog.

In addition, funding is available to continue the development of an automated information system that will increase the efficiency with which fugitive investigations are conducted. The Marshals Service has also been very successful in the past at closing out thousands of felony fugitive cases through special task forces. These cost effective and temporary operations, if funded, together with improved automation, are important components of the solution to reducing the backlog of fugitive felon warrants.

JUDICIAL SECURITY

Mr. EARLY. I am going to yield at this time to the Ranking Minority Member, Mr. Rogers of Kentucky.

Mr. ROGERS. Thank you, Mr. Chairman.

Director Moore and your names please.?

Mr. HAYES. Bob Hayes.

Mr. ROGERS. And is it Mr. Twomey?

Mr. TWOMEY. Twomey.

Mr. ROGERS. I was reading your biography and this poor guy was born in Massachusetts and educated in Iowa. [Laughter.]

Mr. EARLY. Well, we pronounce it Twomey in Massachusetts. In Kentucky, we are not sure, Mr. Rogers. [Laughter.]

Well, that shows you have a good staff.

Mr. ROGERS. Director Moore, let me follow up on a couple of the Chairman's points on judicial security. Judge Vance was killed at home.

Mr. MOORE. Yes, sir.

Mr. ROGERS. A bomb went off in his home.

Mr. MOORE. Yes, sir.

Mr. ROGERS. Are you extending security to the judges' homes in that circuit?

Mr. MOORE. We do have personal security details where we have determined a threat to exist.

Mr. ROGERS. By the way, if you feel more comfortable discussing any of these things in a cleared atmosphere, we can clear the room. I do not want to pressure you to talk about things like that.

Mr. MOORE. I want to make sure that you have all the information that you want, but I do think that we should be sensitive to disclosure of the level of security and the kinds of security.

Mr. ROGERS. Well, I will not press that any further. Let me just ask you in a more general way. I understand that the Judicial Conference is now discussing judicial security and we will end up with the tab on a fairly extensive system.

As I understand it, the Judiciary's appropriations cover perimeter court security—around the courthouse, court buildings and the walk-through detectors. Any security of the judge other than that would be assumedly on your shoulders. Is that correct?

Mr. **Moore**. That is correct. We manage the Court Security appropriation on behalf of the Administrative Office of the U.S. Courts for the court security program, that provides for perimeter security and Court Security Officers

Mr. **Rogers**. Well, you do not have the money in your request to cover that kind of security, do you?

Mr. **Moore**. No, we do not.

Mr. **Rogers**. So, we might face that later in the year, perhaps?

Mr. **Moore**. Perhaps.

FUGITIVE APPREHENSION PROGRAM

Mr. **Rogers**. Also to follow up on the Chairman's lead on warrants my understanding is at the end of 1989 you had a backlog of 16,000 warrants and you say that will decline to around 14,500 by the end of 1991.

Mr. **Moore**. That is correct.

Mr. **Rogers**. And that is a 9 percent rate of decline.

Mr. **Moore**. That is correct.

Mr. **Rogers**. In the fiscal 1990 bill, we gave you an added 150 positions for fugitive apprehension. Did that contribute to this decline that you were able to achieve?

Mr. **Moore**. I believe so. I think you can point to that as a measure of success with the additional resources devoted to that area.

ASSETS FORFEITURE FUND

Mr. **Rogers**. Now, let me ask about the Assets Forfeiture Fund. The Justice Department tells me that they expect that half a billion dollars in receipts will come to the government through that program in 1991. Does that agree with your numbers?

Mr. **Moore**. I believe so.

Mr. **Rogers**. And of that, I am told that $140 million will go to what is called the special forfeiture fund for allocation by the Drug Czar, correct?

Mr. **Hayes**. Actually, it is $128 million.

Mr. **Rogers**. What did I say?

Mr. **Hayes**. $140 million.

Mr. **Rogers**. $128 million, and that the balance, which would be $372 million, would be used in two ways, $100 million for program-related expenses——

Mr. **Moore**. Correct.

Mr. **Rogers** [continuing]. That is, apparently activities using the assets to promote more seizures that are enforcement related.

Mr. **Moore**. That is correct.

Mr. **Rogers**. Retrofitting a seized vehicle for sale and that type of thing. This subcommittee, is scored for money used for those activities, which I never understood, but, nevertheless, it happens. Now, what happens to the rest of the money?

Mr. **Moore**. You have approximately $200 million that is shared with the State and local governments, through the equitable sharing program, $57 million that is associated with the asset management and disposal, and $15 million identifies other asset-specific expenses. I can go into any one of those items in more detail, if you want me to.

MANAGEMENT SYSTEM OF THE ASSETS FORFEITURE FUND

Mr. **Rogers**. Well, the receipts into that fund have grown astronomically in the last few years. GAO has made seized and forfeited assets management one of several high-risk or vulnerable areas in the government, where mismanagement may exist or could develop, at potential enormous cost to the taxpayers. What kind of steps are we taking to manage that enormous growth in assets and to timely process the seizures and sell them and realize the results?

Mr. **Moore**. Well, there are two parts to your question. One is what steps are we taking to manage it properly, and you see in our budget submission, and I mentioned in my opening statement, there are requests for additional funding in that area.

Quite frankly, as you realize, the program has skyrocketed in terms of the volume of activity, the number of transactions, the number of assets, the amount of real estate, the value of that real estate, and there has been no corresponding increase in the resources devoted to it. It is something that we need to be very concerned about in the management of that program, making sure that we can be accountable for that program.

We are attempting to automate as much as possible with the Seized Asset Management system, which is being implemented or phased into each of the districts. We also have regional National Asset Forfeiture Offices that provide program and quality control, so that we have the type of information to be responsive to any Congressional requests or Departmental requests. I do think that we are monitoring that program and its growth as best we can, under the circumstances.

Mr. **Rogers**. Are there any internal weaknesses in the way it is being managed?

Mr. **Moore**. Yes, I think that there are internal weaknesses that we can identify and strengthen. We are attempting to do that, making sure that data is entered in a timely manner when the seizures are occurring, making sure that we do have the training for these people that are engaged in this activity. This program is really still in its infancy, and you want to come in and tighten up and strengthen the internal controls.

The other area that you referred to is the disposition of assets, and we see the number of items, and the number of seizure cases going up. Unfortunately, their disposition does not occur as fast as the seizures themselves and that is because many of these items are contested. They wind up as a judicial forfeiture proceeding, and the litigation, depending on the type of property involved, can last one to two years before we are really in a position to dispose of the property. That is particularly the case where you have real estate, where there may be innocent third parties that own a portion of the property, where there are other encumbrances and you want to really clear title on it before you can go to sale.

So, we are sensitive to the problem. Any time you get in litigation, though, you lose control of your ability to unilaterally take the steps that you would like to take.

DISPOSAL OF SEIZED MERCHANDISE

Mr. **Rogers**. Well, you have got some reasonably perishable products and merchandise that you seize. Are we adequately taking care of those items and disposing of them in the most timely manner?

Mr. **Moore**. I think we are trying to be more sensitive up-front in pre-seizure planning to what we do want to seize. I mean we are trying to stay out of the animal business, for example, where we know that the maintenance costs will eat up whatever value may be there. I do not think you can always look to equity as the sole determinative factor in whether to seize or not to seize. Sometimes property in the hands of these defendants needs to be seized in certain instances even if there is no equity, just to remove it from the hands of drug dealers.

I think you are seeing, as this learning curve extends out, a base of knowledge that is expanding, both throughout the country and in its depth as well. Obviously, you tend to develop more experience in the larger metropolitan areas, where they are engaged in ongoing seizure activity and where most of the bulk of the assets are but you still need to expand or extend that out to other smaller districts.

VALUE OF ASSETS SEIZED

Mr. **Rogers**. What is the value of the current inventory?

Mr. **Moore**. I think it is approximately $1.2 billion.

Mr. **Rogers**. And you are extending it at the rate of about $500 million a year, right?

Mr. **Hayes**. In terms of income realized.

Mr. **Rogers**. Income realized, that means sales and disposals?

Mr. **Hayes**. Forfeitures and things of that nature.

Mr. **Rogers**. Do you have an idea of the value of assets seized per year?

Mr. **Hayes**. Not a single year per se. It is a floating inventory.

Mr. **Rogers**. I know that, but I am trying to get a gauge of—the value of the assets which entered the inventory last year.

Mr. **Hayes**. How much new business in a particular year? We could provide that for the record.

Mr. **Moore**. We do refer to the growth shown in our submissions as quite impressive. We seized twice as many pieces of property in 1988 as in 1987.

Mr. **Rogers**. You don't know the value?

Mr. **Moore**. I don't have the value reflected here. We can obtain that for you. Another example, I think, of the kind of growth without proportional increase in resources to manage it, is that in 1985 the Service was in custody of 400 parcels of real property. In 1989, we were managing more than 2,700 parcels.

Mr. **Rogers**. Well, provide that for the record.

[The information follows:]

Seized Asset Management System

The Marshals Service took custody of over 25,000 properties worth more than $570 million in 1989. Most of that property consisted of real property seized by the U.S. Marshals and cash seized by DEA and FBI and turned over to U.S. Marshals for custody and disposition. Some properties seized by Justice agencies are not turned over to the U.S. Marshals. For example, if FBI or DEA intend to use a seized item for official use upon forfeiture, then they will retain custody of the property; or if a conveyance is seized by a State or local agency, frequently that seizing agency will retain custody of the item.

The Department of Justice is currently in the process of establishing a system to provide readily available comprehensive statistics on the value of all property seized by Departmental agencies, regardless of whether the property has yet been turned over to the Marshal for custody.

FOLEY SQUARE ELEVATOR

Mr. ROGERS. Now, you are requesting $5 million in your budget request for a prisoner elevator at the Foley Square Courthouse in New York.

Mr. MOORE. Yes, sir.

Mr. ROGERS. Boy, that is an expensive elevator, is it not? How come that is so expensive?

Mr. HAYES. There is an elevator shaft there that needs to be built out. Part of the problem of the expense is it is in an existing building and would not be new construction. Not only that, but Foley Square is one of the most accessible and open public courthouses in the country with easy access from the subway.

Hundreds of thousands of people come through there on a yearly basis and some of the most important and highly sensitive trials, whether it be Leona Helmsley or an organized crime trial, can take place there. The passengers on elevators, as it currently stands, range from judges, witnesses, to the public at-large, to prisoners, and there must be a secure access area to separate those types of prisoners from the public.

Mr. ROGERS. I understand the need, but I do not understand the amount. What makes it so expensive?

Mr. HAYES. It is the renovation costs as opposed to existing construction. We could provide more detail, if you would like.

Mr. ROGERS. Is GSA contributing anything?

Mr. HAYES. No, they are not. They are contributing in the sense that they identified that it is a necessary type of activity. The question of funding was not addressed and, as a result, we are requesting it in our budget.

Mr. ROGERS. They have a handy way of doing that, seeing what is wrong and then fixing it.

Well, I have another question, Mr. Chairman, and I will submit it for the record.

FOLEY SQUARE COURTHOUSE

Mr. EARLY. I thought the Foley Square Courthouse was not built yet.

Mr. HAYES. This is Foley Square in New York.

Mr. EARLY. But I thought that a new courthouse was planned for Foley Square and that it was going to be done on a lease-purchase basis.

Mr. HAYES. As I understand it, that is a few years down the road. This is addressing the immediate problem. Nonetheless, the existing courthouse will continue to be in operation.

Mr. EARLY. The new courthouse will supplement the other one, which I think is 700,000 square-feet; this one will stay in operation when that one is opened.

Mr. HAYES. As I understand it. Now, I may be corrected on that.

Mr. ROGERS. For this kind of money, we could build a courthouse.

Mr. EARLY. In Kentucky. [Laughter.]

Mr. Moore, Mr. Rogers talked about the management of seized assets. I have some questions on that subject that I will put in the record.

ADP AND TELECOMMUNICATIONS PROGRAM

Mr. EARLY. For ADP and telecommunications, you're requesting an increase of $1,820,000 for digital voice privacy base stations and repeaters. In 1990 the Congress provided sufficient funds for the FBI to purchase base stations and repeaters for its DVP system. Now, since the Marshals and the FBI are basically located in the same geographic location, if not the same building, why can't you utilize or share the equipment already secured by the FBI, have some kind of cost-sharing arrangement?

Mr. MOORE. We are at the final stage of the completion of our system, which started in 1980. The question that you raise is one that has been asked previously and was thought not wise, for a number of reasons, including the different missions and needs of the respective agencies.

The Marshals system is approximately 85 percent complete now. The costs of including the Service in the FBI system would be significant. The $1.8 million requested completes the fixed portion of the U.S. Marshals system. Using the FBI system means starting from scratch, at a cost of approximately $125 million.

SENTRY SYSTEM

Mr. EARLY. I have a couple more questions on that and I will put them in the record for you to answer.

It has been suggested that due to the costs and interaction with the Bureau of Prisons, the U.S. Marshals Service should have a link with the Bureau of Prisons Sentry System. I understand that currently the Marshals telefax prisoner information to the Bureau of Prisons, while doing the same data in its own system would result in a time-consuming double-entry. Why do so few district offices have a sentry terminal?

Mr. MOORE. I think it is important to note that the Bureau of Prisons and the Marshals Service do work from some common data elements but in other instances their needs are divergent. The Marshals Service needs to track prisoners who are awaiting trials and this creates a demand that sentry was not designed to support.

The Sentry System is a useful source of information but it is not interchangeable with the Marshals system. There are areas where it is important to pass on basic information regarding any prisoner and, in fact, we do that on a number of occasions. Funding constraints have made it impossible for us to do it nationwide, but in the areas where we tend to use it most frequently, we do have that capacity.

Part of the difference, also, is the fact that where the Bureau of Prisons' systems are located are not necessarily where we have the Marshals Service locations. We tend to have many more district offices than BOP would have, and so we cannot really access them at every location, but we do have them, for example, in our headquarters, our prisoner transportation headquarters in Kansas, where we interface most frequently with BOP in the scheduling of prisoner transportation. We have them at Marshals offices in Fort Lauderdale, Miami, San Francisco, Los Angeles, and the District of Columbia. We do have Sentry coming on-line in 10 other locations and 5 more projected after that. So, we share with you the good reason for wanting to have access to that.

Mr. EARLY. I want you to provide for the record, Mr. Moore, what your plans are to improve that situation.

Mr. MOORE. Yes, sir.

[The information follows:]

SENTRY SYSTEM

As resources become available, Marshals Service offices that are co-located with Bureau of Prison facilities can be given access to SENTRY at a nominal cost since the USMS could share existing BOP lines. Long-term plans include OBIS, the "Offender Based Information System," to support a broad range of USMS needs for information on Federal offenders. Discussions are scheduled to define the USMS needs to share information with BOP and to approach BOP about establishing a SENTRY-OBIS interface. The USMS also plans to hold similar discussions with the U.S. Courts and U.S. Attorneys.

SEIZED ASSET MANAGEMENT SYSTEM

Mr. EARLY. I found Mr. Rogers' seized asset questions to be—that is an area where you spend money to save money, I would think. With regard to seized asset automation, I understand you are planning to replace the National Asset Seizure and Forfeiture System, NASFS, with the Seized Asset Management System, SAMS, by early 1991. How much will the SAMS cost and are you planning to fund it from the Assets Forfeiture Fund?

Mr. MOORE. Some of it has been funded through the Asset Forfeiture Fund and that is being looked at now as to whether that will continue.

Mr. EARLY. How much will it cost?

Mr. MOORE. We are estimating approximately $3.9 million over a 7-year period, from fiscal 1988 until 1994.

Mr. EARLY. That seems to be very slow, for a $3.9 million automation system. It will be outdated before it is completed. I recognize the shortage of money, but why don't we spend money to get that on-line immediately. For the record, would you provide what you could do, how you could improve that time frame. From your responses to Mr. Rogers, there is an awful lot of money to be had from the Asset Seizure and Forfeiture Fund. Because we are a bureaucracy, we evidently do not sell or dispose of the property too quickly. That is discouraging and the American people cannot understand that and I do not, either.

[The information follows:]

Seized Asset Management System (SAMS)

SAMS is replacing an inadequate and outmoded property inventory and management information system that has been in existence since 1984. SAMS has been under development for two-and-one-half years (since September 1987), and is currently operational in four pilot districts. We anticipate installing it in an additional 12 districts by August 1990, and completing its installation in 1991.

FUNDING FOR SEIZED ASSET MANAGEMENT SYSTEM

Mr. Early. Why has the department not requested specific funding for SAMS in 1990 or in the 1991 budget submission?

Mr. Moore. When the 1990 and 1991 budgets were prepared, the Department contemplated the use of the Forfeiture funds for the SAMS project. The next realistic opportunity to request appropriated funding is through the 1992 budget process and the Department is currently considering all funding alternatives to fulfill the SAMS requirements for 1990 and 1991.

ASSET FORFEITURE TRACKING SYSTEM

Mr. Early. Do you have an automation expert with the Marshals Office?

Mr. Moore. Yes, sir.

Mr. Early. Okay. Regarding AFTRAK, I understand that the asset forfeiture tracking system, which is supposed to track these assets, has serious data omissions, redundancies and data quality problems. Can you provide the Committee with details of a plan to correct problems in the AFTRAK system? If you do not automate, we will never catch up. The numbers that you gave Mr. Rogers are just going up like that. If you suggest that we are getting $500 million from it annually, I do not know what it could be if it was automated and you sold the property more quickly? I want you to provide your estimates for the record, please. I want you to tell us how long it will take to correct data and program deficiencies, how much it will cost and how you are planning to fund the needed corrections, 28 U.S.C. 524(c)(6) requires that the Congress be provided with annual reports on the Assets Forfeiture Fund and on forfeited property. Considering the status of your tracking system, can you certify the accuracy of these reports?

Mr. Moore. Congressman, in the first instance, the AFTRAK is not a Marshals system. That is a Department of Justice system to which the Marshals Service provides data.

Mr. Early. Wait a minute, Mr. Moore. Justice blames the Marshals for everything, why shouldn't they blame you for this? [Laughter.]

Mr. Moore. The inventory system the Marshals Service uses to provide the data to the Department is reliable, and it is one that I feel I can certify.

Mr. Early. Well, I would like that information.

[The information follows:]

Asset Forfeiture Tracking System

The asset forfeiture tracking system, known as AFTRAK, was designed to be a management information system for senior Department management. It is not an operational support system in the sense that the participating agencies do not use it as a system of record or use it to execute or record forfeiture activities. Each of the participating agencies has its own automated information system to support day-to-day case activity.

The AFTRAK data base is recreated each month by integrating extracts from the operational support data bases of the numerous agencies participating in our asset forfeiture program. Thus, the AFTRAK data base is as good as the data bases maintained by the various participating agencies. Initially, it was believed that this approach was the least costly and most expeditious way to gather management reports on the entire forfeiture program. Unfortunately, there are problems with the source systems that have a direct effect of the quality of the AFTRAK system. These problems have resulted in serious data omissions, redundancies and data quality problems.

The lack of complete, accurate and timely information on the entire asset forfeiture program was a prime factor underlying two important actions by Attorney General Dick Thornburgh. First, in October 1989, the Attorney General created the Executive Office for Asset Forfeiture within the Office of the Deputy Attorney General to provide increased oversight to all aspects of the Department's asset forfeiture program. He directed this new office to develop a single, integrated information system to capture and maintain operational information on all aspects of the forfeiture process. Second, in his December 1989 report to the President under the Federal Managers' Financial Integrity Act, the Attorney General reported the asset forfeiture program as a material weakness citing the inadequacy of existing tracking systems for seized assets.

The Executive Office for Asset Forfeiture has initiated several projects to remedy these problems. In October, an action plan was formulated by the Executive Office and approved by the Office of the Attorney General. This plan reflected both a short-term and long-term approach to forfeiture information management. The short-term approach involved assessment and evaluation of AFTRAK problems with a view to implementing corrective actions. Special software programs were written to evaluate the quality of data being provided each month by the various source systems. Since January, each of the participating agencies has been receiving a data assessment to serve as a guide in correcting problems with their existing internal systems. Further, the Executive Office initiated a case reconciliation project within the Department. The U.S. Attorneys, the Drug Enforcement Administration and the Federal Bureau of Investigation have been requested to reconcile their caseload inventory with the seized asset inventory maintained by the U.S. Marshals Service. This project is being conducted in phases and is intended to ensure that all agencies agree regarding what property is under seizure and the status of the property and the underlying cases. This project has identified numerous errors, omissions, and missed communications. We are very encouraged that this project will result in measurable improvement in the data maintained in the agency systems.

Yet, it is also clear that simply correcting data in existing systems will not eliminate all deficiencies in current program related information. Therefore, in November, the Executive Office began the process of documenting the information management requirements of all participating agencies with a view toward developing an integrated system design that will meet the needs of all agencies for operational support while still satisfying the management information needs of senior Department officials. This entire project will be monitored within the framework of the Department's internal controls system.

Over the next several months, the collective information management requirements of the participating agencies will be documented and validated, the functional design and a possible technical design of an integrated asset forfeiture information system will be developed, and the expected costs and probable schedule for implementation of the new system will be developed. When these aspects of the information systems initiative are completed and approved, we will be able to cite specific cost estimates and time frames for correction of these deficiencies. At this time, we anticipate it will take eighteen to twenty-four months to implement an integrated system. We plan to take full advantage of past investments in asset forfeiture information technology, wherever possible, not only to reduce cost but also to save time. We share your desire that modern technology be put into place as quickly as possible to improve the efficiency and productivity of this program, and will ensure that this project receives high priority for allocation of monies under the Assets Forfeiture Fund appropriation.

LIMIT ON FEES COLLECTED

Mr. **Early**. A couple of years ago the Committee removed the limit on the fees collected for service of process. How much did you collect in fees in 1989 and 1990?

Mr. **Hayes**. In 1989, fees collected for service of process were about $1.4 million.

Mr. **Early**. I do not know why we should reinsert the words "not to exceed $1 million." You have all the additional service of process, and the security requirements; you are not only responsible for the judges, but also for their wives and children, if there is threat, isn't that correct?

Mr. **Moore**. Yes.

Mr. **Early**. You are not doing enough with automation. We are talking about the problems of transporting prisoners great distances between jails and courts, even suggesting that in D.C. it is one Marshal for 10 prisoners. I do not know why you would suggest removing or changing the provision which allows you to retain the maximum amount of fees.

That is just an opinion. It is another case of OMB coming in where they do not know what they are talking about and they arrive at an amount of money, and it is all theory and not real.

Mr. Rogers, do you have any more questions?

NATIONAL PRISONER TRANSPORTATION SYSTEM

Mr. **Rogers**. Just one brief one. What do you call your airline?

Mr. **Moore**. Con Air. [Laughter.]

Mr. **Rogers**. How is that working?

Mr. **Moore**. The National Prisoner Transportation System, is a success story. It allows us to deliver a service more quickly, more efficiently. What it does is limit some of the other problems we are talking about, these 4-hour, 6-hour prisoner transportation drives, that if we did not have NPTS, is what we would be doing. We would just be doing more of that.

Mr **Rogers**. How many planes are in that airline?

Mr. **Moore**. We have two 727's and this year we will use the Assets Forfeiture Fund to finish retrofitting some of the Saberliner smaller aircraft, and we also have some other smaller planes. You may have read that we lost one to the bad guys, that we had seized from them, that they stole out of Miami. We have not recovered it yet.

Mr. **Rogers**. You mean they stole one from you?

Mr. **Moore**. We took it from them and they stole it back. They didn't know it was ours, I do not think. We have no reason to believe that they singled us out, other than the fact that it looked like it was a plane that would go long distances.

Mr. **Rogers**. So, when will you have the smaller planes in service?

Mr. **Moore**. They are coming on-line now.

Mr. **Rogers**. Well, that should be a great relief.

Mr. **Moore**. It is a big relief. Again, it is a new program, and competing with the private sector to attract qualified people to fly those planes and to manage that program is a big challenge.

Mr. **Rogers**. I know that the big planes fly regularly.

Mr. **Moore**. Yes, sir.

Mr. **Rogers**. Will the small ones do the same?

Mr. **Moore**. It is our intention or hope that we can get them into a regularly scheduled airline service, not only for Federal prisoners, but when, and if available, to State governments as well.

Mr. **Rogers**. I will tell you, if you get it to running half-way efficient, we may want to buy tickets, because with the regular airlines, half the time we cannot get tickets. [Laughter.]

A very close personal friend of mine is your Marshal for Eastern Kentucky, Sherman Hansford, and I will be with him this weekend, in fact, at a social occasion. He tells me the nitty-gritty of some of the end of the Marshals Service and he says to give you his regards.

Mr. **Moore**. Thank you.

Mr. **Rogers**. Thank you, Mr. Chairman.

CARE OF U.S. PRISONERS

Mr. **Early**. There is a large increase, a 25 percent increase of $34,091,000, for the care of prisoners, is this due, Mr. Moore, to the increasing number of jail days, the average stay in jail, the average cost or a combination of all?

Mr. **Moore**. It is all of them. It is the number of trials, and it is, as you mentioned earlier, the other resources going into other components of the criminal justice system, such as new Assistant U.S. Attorneys. Again, when you have more trials, you see the pretrial detention period expanding and that certainly puts an additional burden on the number of days that we now have prisoners in pretrial detention, compared to the earlier periods.

I do not think you can point to any one factor to explain the phenomenon. As I mentioned earlier, the sentencing guidelines, also have a direct impact on the willingness of defendants to go to trial, as opposed to a negotiated plea

Mr. **Early**. For the record, please provide the actual 1990 information to date for the number of jail days used, the average stay in jail and the average cost, and compare that with the comparative date in 1989.

Mr. **Moore**. Yes, sir.

[The information follows:]

Care of U.S. Prisoners

For the first quarter of 1990, the total number of contract jail days are 749,296, an increase of 34 percent over the first quarter of 1989 when we had 557,537 jail days. To date in 1990 the average length of stay is 52.8 days and the average cost per day is projected to be $41.48. The total number of contract jail days for 1989 was 2,478,146, the average length of stay 41 days and the average cost per day was $39.50.

JUDICIAL SECURITY

Mr. **Early**. Mr. Moore, the budget seems so inadequate to this member. I can think of one or two cases—and if the information is confidential, and for some reason should not be cited, do not cite it. The added security for the Lehder trial in Florida; in my own State, we could not guarantee security. It is embarrassing for a State. We could not guarantee security in the Boston court for a trial involving allegations related to terrorism where the defendants that were incarcerated for 15 years. They had to be tried, but we had to move them to Springfield, Massachusetts.

I understand the added cost to the Marshals service was astronomical. Could you or any of your staff tell the committee what it was, what range?

Mr. MOORE. I do not have the exact figure. I can tell you that, to my knowledge, the trial that you are referring to was the most expensive one that we have had to date. I can tell you that the numbers of those kinds of trials are increasing rapidly, in terms of what we identify as high-risk trials that require us to bring in additional resources and personnel. The problem with this is that today it may be in Massachusetts, tomorrow it may be in Des Moines.

You just cannot predict with any degree of certainty where high risk trials are going to be and staff up. The result is that we constantly see very dedicated deputies being sent from their district offices on TDY to other locations, and so there are a lot of contingencies and planning that have to go into preparing for those kind of high-risk trials. I would be happy to provide the committee, as well, with the increasing numbers of them over the years.

Mr. EARLY. I want the increasing number in 1990 and what it might be in 1991. I would also like to have the costs of that trial to the Springfield Marshals Office.

Mr. MOORE. Yes, sir.

Mr. EARLY. And can you tell the committee the cost for the Lehder trial?

Mr. MOORE. I don't have the figures on that, but I can provide it.

Mr. EARLY. You can do that for the record, as well.

[The information follows:]

JUDICIAL SECURITY

In 1990, sensitive trials are expected to increase 15 percent over the 1989 level. We estimate sensitive trials in 1991 to be 30 percent over the 1989 level.

The actual costs of the Lehder-Rivas trial in Jacksonville, Florida, and the Levasseur trial in Springfield, Massachusetts are as follows: *USA* vs. *Lehder-Rivas, et al.*, $2,140,853; and *USA* vs. *Levasseur, et al.*, $4,403,197.

MARSHALS RESPONSIBILITY REGARDING NORIEGA

Mr. EARLY. Aren't you going to have added responsibility with regards to Noriega, as far as security?

Mr. MOORE. We already have. As you know, we were responsible with DEA for bringing Mr. Noriega back and then we were responsible for the first period of time when he was in the United States for maintaining his custody. Yes, of course, it calls on us to provide those additional resources. It is when you have that and you have the coal miner's strike and you have the Judge Vance bombing, that it really tests the ability of an agency to respond with all its resources.

We personally feel very proud of the way the Service acquitted itself during that period of time, but I would be less than candid if I did not tell you that it has put a tremendous strain on us, through personnel and fiscally, during this period.

Mr. EARLY. You are an attorney, Mr. Moore?

Mr. MOORE. Yes.

Mr. EARLY. Do we always have an attorney in this position?

Mr. MOORE. The earlier Director, whom I respect, was not an attorney and I do not think he wanted to be one. [Laughter.]

Mr. **Early**. The Marshals Office has been running efficiently and I do not want to embarrass Mr. Rogers or Mr. Smith, but now we have put a lawyer in charge and we are going to blame the lawyers. The fact that we do not give you enough money to do the job, that is your problem.

Mr. **Rogers**. Things have been shaping up lately, coming around. [Laughter.]

Mr. **Early**. Mr. Moore, I want to thank you for your testimony. I really think your agency has tremendous responsibilities, but I do not think you have nearly the resources needed to do the job. I just wish you well. People who have been in the Marshals Service really handle their jobs well.

Mr. **Moore**. Thank you for your support and we will do the best with the money that we are given.

Mr. **Early**. Thank you very much.

With that, we will adjourn this subcommittee until 10:00 o'clock tomorrow morning.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN EARLY

UNITED STATES MARSHALS SERVICE

Seized Assets Management

QUESTION: You request an increase of $6.2 million and 134 positions to enhance management of seized assets. Why are you requesting additional appropriated funds for Federal employees and their associated space and equipment costs, when you could contract out these services and be reimbursed from the Assets Forfeiture Fund?

ANSWER: The $6.2 million and 134 positions requested for seized asset management teams will work with the FBI, DEA, and USA in all phases of seizure planning. These are criminal cases of the most sensitive nature, confidentiality and security requiring direct government involvement. The use of contractors is simply not appropriate for these law enforcement functions.

We will continue to use contract services for post-seizure activities in the management of properties. This is a legitimate and cost effective means to manage the seized assets under government protection.

QUESTION: Assuming that seizures begin to decline over the next several years as our drug law enforcement efforts take hold and your management workload declines, will it not be easier to reduce contract support for this management than to try and cut back on Federal employees?

ANSWER: We believe that the opposite will take place and seizures will continue to increase. Increased seizure activity will be fueled by an influx of prosecutors, a build-up of Asset Removal Teams within DEA and FBI, and the passage of new money laundering statutes.

ADP and Telecommunications

QUESTION: You request an increase of $1.5 million for the District Automation Project. Why are these funds needed and what would be the impact if they were denied?

ANSWER: The $1.5 million provides improvements that are badly needed simply to keep pace with operational/informational requirements. The request includes $850,000 to upgrade and expand the obsolete district office computer equipment, much of which is based on a design seven years old, which is generations ago in computer terms. The request also includes $250,000 for networking and thus improving information sharing and transmittal among the 15 largest district offices and $400,000 to upgrade peripheral equipment (printers, modems, etc.) and for improved security measures for data collection and transmittal.

Denial of the funding requested guarantees system degradation and continued use of obsolete technology, at a time when the Service desperately needs better and more timely program and financial information to support its mission.

QUESTION: What is the full cost of the District Automation Project, and will it connect all 94 district offices?

ANSWER: Through 1990, it is estimated that $2.8 million of Marshals Service Salaries and Expenses funds will have been spent for this project.

While the present system provides automation in every district and district/headquarters communication capability, it does not provide networking capability. FTS 2000 will permit districts to be connected via existing District computer equipment.

Assets Forfeiture Fund

QUESTION: At a time when we are trying to enhance drug law enforcement efforts, why are you reducing amounts available for awards for information in 1991?

ANSWER: Since its inception, the Fund has been recognized as a generator of monies that could be used to expand the overall law enforcement effort. Initially oriented towards drug enforcement, our authorities have been expanded to allow the Fund to be used to support investigations of violations of the money laundering and Racketeer Influenced and Corrupt Organizations (RICO) statutes. Nevertheless, it has been clear from the beginning that the Fund was to be used to supplement the funds appropriated for these purposes to the investigative agencies, not to supplant those funds. Operational funding for the investigative agencies (e.g., funds to pay awards) should not be dependent on uncertain amounts generated by the asset forfeiture program.

For 1990, the total requests from the participating agencies for funding subject to the $100 million appropriation limitation exceeded $143 million. However, less than $28 million was sought for award payments. Even though the agencies sought 43 percent more, in total, than was appropriated, they sought 25 percent less than was planned for awards. In part, this represents a reassessment of requirements by the investigative agencies.

Warrant Information Network (WIN)

QUESTION: I understand you have experienced an 8-year delay in implementing a system to process and store warrant information and that some Federal warrant information is still maintained on 3 x 5 cards, and monthly warrant status reports are compiled from these

records in lieu of computerization. What is the status of the Warrant Information Network (WIN)?

ANSWER: For the last three years, 80 percent of the Service's primary fugitive warrant caseload has been tracked by WIN. This caseload originates from Federal courts in roughly one-third of the Service's field offices. The WIN system only tracks primary (Marshals Service) fugitive warrants. A manual 3 x 5 card type system is still used to track other felony and misdemeanor warrants in these field offices. The remaining two-thirds of the Service's field offices continue to use a 3 x 5 card type tracking system for all warrants.

However, we have introduced a new statistical tracking method automating a portion of the statistical reporting requirement.

QUESTION: Will the WIN include all Department of Justice (DOJ) warrants?

ANSWER: The Service does not plan to expand the WIN system to include all DOJ warrants.

Another Marshals Service system currently under development is the Offender Based Information System (OBIS), which will track all Federal warrants as well as important investigative and prisoner information. The current implementation date of OBIS is late 1991.

QUESTION: Can other DOJ law enforcement agencies access WIN?

ANSWER: The Service currently permits WIN access through our representative at the El Paso Intelligence Center (EPIC) and at INTERPOL National Central Bureau, Washington, D.C. We anticipate WIN access in the future for the Treasury Department's Financial Crimes Enforcement Network (FINCEN).

THURSDAY, MARCH 15, 1990.

DRUG ENFORCEMENT ADMINISTRATION

WITNESSES

JOHN C. LAWN, ADMINISTRATOR

TERRENCE M. BURKE, ACTING DEPUTY ADMINISTRATOR

DONALD P. QUINN, ASSISTANT ADMINISTRATOR FOR OPERATIONAL SUPPORT

RICHARD KAY, CONTROLLER

MARILYNN B. ATSATT, ACTING BUDGET OFFICER

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

BUDGET REQUEST

Mr. SMITH. Continuing with our review of the Department of Justice, we will now hear testimony from the Drug Enforcement Administration. The DEA requests $700 million in fiscal year 1991, an increase of over 20 percent above FY 1990 appropriations. We will insert in the record at this point the DEA fiscal year 1991 budget justifications.

[The justification follows:]

Department of Justice
Drug Enforcement Administration
Estimates for Fiscal Year 1991
Table of Contents

Item Page

Organization Chart 1
Summary Statement 2
Justification of Proposed Changes in Appropriation Language 7
Crosswalk of 1990 Changes 9
Summary of Requirements 11
Summary of Resources by Program 13

Justification of Program and Performance

- Domestic Enforcement 15
- SEO/P 23
- Foreign Cooperative Investigations 27
- Diversion Control 33
- State & Local Task Forces 40
- Intelligence 45
- DEA Laboratory Services 52
- DEA Training 57
- Research, Engineering and Technical Operations 62
- ADP and Telecommunications 72
- Records Management 76
- State and Local Training 79
- State and Local Laboratory Services 81
- Executive Direction and Control 83
- Administrative Services 90

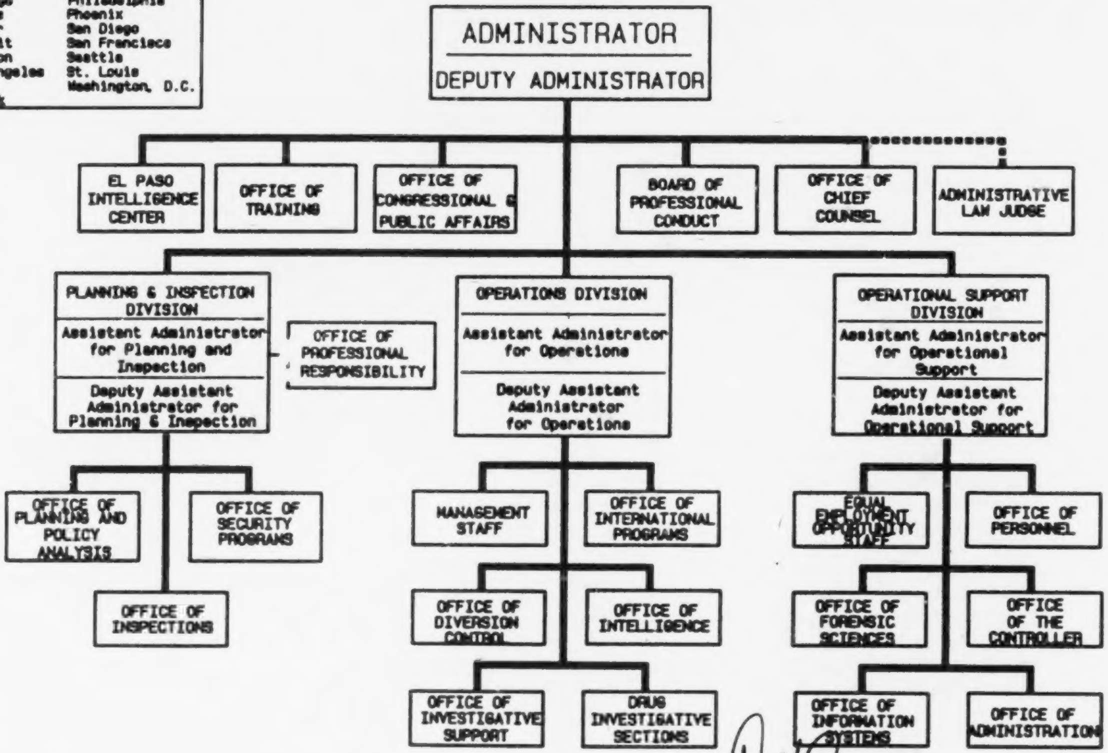
Justification of Multi-Activity Program Changes 95
Financial Analysis - Program Changes 96
Status of Construction and Summary of New Facilities Requirements 99
Priority Ranking 100
Detail of Permanent Positions by Category 101
Schedule of Motor Vehicles 103
Schedule of Aircraft 104
Summary of Change 105
Justification of Adjustments to Base 106
Summary of Requirements by Grade and Object Class 110
Consulting and Related Services 114

DRUG ENFORCEMENT ADMINISTRATION

DIVISIONAL FIELD OFFICES

Atlanta
Boston
Chicago
Dallas
Denver
Detroit
Houston
Los Angeles
Miami
Newark

New Orleans
New York
Philadelphia
Phoenix
San Diego
San Francisco
Seattle
St. Louis
Washington, D.C.


ADMINISTRATOR
DEPUTY ADMINISTRATOR
EL PASO INTELLIGENCE CENTER
OFFICE OF TRAINING
OFFICE OF CONGRESSIONAL & PUBLIC AFFAIRS
BOARD OF PROFESSIONAL CONDUCT
OFFICE OF CHIEF COUNSEL
ADMINISTRATIVE LAW JUDGE
PLANNING & INSPECTION DIVISION
Assistant Administrator for Planning and Inspection
Deputy Assistant Administrator for Planning & Inspection
OFFICE OF PROFESSIONAL RESPONSIBILITY
OPERATIONS DIVISION
Assistant Administrator for Operations
Deputy Assistant Administrator for Operations
OPERATIONAL SUPPORT DIVISION
Assistant Administrator for Operational Support
Deputy Assistant Administrator for Operational Support
OFFICE OF PLANNING AND POLICY ANALYSIS
OFFICE OF SECURITY PROGRAMS
OFFICE OF INSPECTIONS
MANAGEMENT STAFF
OFFICE OF INTERNATIONAL PROGRAMS
OFFICE OF DIVERSION CONTROL
OFFICE OF INTELLIGENCE
OFFICE OF INVESTIGATIVE SUPPORT
DRUG INVESTIGATIVE SECTIONS
EQUAL EMPLOYMENT OPPORTUNITY STAFF
OFFICE OF PERSONNEL
OFFICE OF FORENSIC SCIENCES
OFFICE OF THE CONTROLLER
OFFICE OF INFORMATION SYSTEMS
OFFICE OF ADMINISTRATION

Approved_______________________ Date 01-26-90
DICK THORNBURGH
Attorney General

Drug Enforcement Administration
SUMMARY STATEMENT
Major Resource Initiatives
Fiscal Year 1991

The Drug Enforcement Administration (DEA) requests 6,112 positions (2,919 Special Agents), 5,697 workyears, and $700,000,000. This includes program enhancements of 744 positions (408 Special Agents), 372 workyears, and $121,986,000. In addition, DEA is requesting 963 positions (749 Special Agents), 837 workyears, and $91,316,000 as part of the 1991 Consolidated Organized Crime Drug Enforcement (OCDE) budget request, including a net increase of 126 positions (93 Special Agents), 50 workyears, and $20,550,000. OCDE resources are contained within the Department of Justice Interagency Law Enforcement Appropriation and will be allocated to DEA on a reimbursable basis.

DEA utilizes a comprehensive, agencywide strategic planning process to identify long-term policy goals and derivative management objectives. In conjunction with the strategic plan, DEA Special Agents in Charge develop Field Management Plans which outline specific action plans, including resource requirements, for meeting agency objectives. DEA's 1991 budget request is the product of this planning process and is designed to provide the necessary means for implementing DEA's strategy. The resources identified in the 1991 budget request have undergone close scrutiny from all levels of management thereby providing an authoritative declaration of the policy, enforcement initiatives, and the resources required to respond the challenges confronting drug law enforcement.

During 1989, DEA's enforcement initiatives once again established record levels for arrests, convictions, and asset seizures. DEA arrested 25,618 violators, an increase of 6.8 percent from last year. Convictions totalled 15,492, an increase of 18.2 percent of 1988. Further, the value of assets seized by DEA totalled $976 million in 1989, a 45.6 percent increase over the $669 million seized in 1988. The value of asset seized exceeded DEA's budget authority for the fourth consecutive year.

Notwithstanding DEA's advances, the drug crisis has escalated to a level more costly and deadly than was previously believed possible. Day after day, news accounts throughout the country report of the increasing drug-related violence terrorizing our cities. Unfortunately, this trend does not show signs of abating and, in fact, has affected every major metropolitan area in the United States. The drug crisis has also produced an insatiable demand for increased DEA resources in every Field Division, because DEA's efforts, intensively concentrated within a targeted area, cause local disruption to drug trafficking organizations, which in turn provides the community with a belief that progress is being made toward a problem that would otherwise seem insoluble. Unfortunately, significant progress against drug trafficking requires much more. DEA's operational plans require consistent and sustained growth in Special Agent strength in order for its responsibilities under the National Drug Control Strategy to be implemented successfully.

This request also corrects continuing deficiencies in DEA's infrastructure for both support staff and equipment. During the past several years DEA has obtained significant increases in its Agent work force. In fact, DEA's staffing has increased by 50 percent since 1982, causing many Divisions to become diverse organizations with up to 500 employees. Consequently, the workload for support employees, at both the Headquarters and field levels, has increased exponentially. DEA has responded to this support deficiency in a variety of ways: in many instances, Agents or Intelligence Analysts assume collateral duties that do not fully utilize their talents; equipment is kept in service past its useful life, often compromising safety; and reporting is often done late or not at all. DEA's support shortfalls are creating a variety of unacceptable situations which cannot be tolerated in the agency with lead responsibility for eliminating the number one crime problem facing the Nation.

This budget request provides funds for all facets of DEA's operational support infrastructure, including intelligence, laboratory services, field administrative and Headquarters support, investigative equipment, and air support of DEA's domestic and foreign operations. Previous budget requests have utilized staffing projections and analyses of an administrative shortfall to justify its growing support requirement. This year, DEA bases it request simply on the critical relationship of enhanced support resources to agency operations. The initiative is so critical to DEA, in fact, that it is the highest ranked funding initiative for 1991.

Set forth below are DEA's 1991 funding initiatives:

INITIATIVE I: EXPAND DEA'S INVESTIGATIVE AND ADMINISTRATIVE SUPPORT FUNCTION

Request: 121 positions (24 Special Agents), 60 workyears, and $45,976,000.

Since 1982, DEA has grown by nearly 2,000 positions, including more than 1,000 Special Agent positions—this represents a 50 percent increase in total staffing during an eight year period. At the same time, the drug law enforcement mission has become more complex, requiring significant new approaches to attacking the drug trafficking menace. As the size of the agency increases, the workload for professional, administrative, and technical support increases exponentially. Although DEA has been fairly successful in obtaining clerical positions to provide direct support to new staff, it traditionally has been unable to provide an adequate support infrastructure to the agency as a whole. Further, because DEA has been required to absorb many uncontrollable increases over the past several years, resources have been siphoned away from the traditional capital-intensive programs, leaving insufficient replacement funds for such basics as vehicles, aircraft, and equipment installation.

This request addresses the administrative and equipment needs that this rapid growth has engendered. The initiative includes funds for field administrative support functions, investigative equipment, and for air support of DEA's domestic and foreign operations.

INITIATIVE II: TARGET AND IMMOBILIZE MAJOR TRAFFICKING ORGANIZATIONS

Request: 601 positions (366 Special Agents), 301 workyears, and $71,133,000.

This initiative addresses DEA's primary investigative mission and the resource shortfalls currently confronting the enforcement programs. As previously mentioned, DEA requires a substantial infusion of resources to fulfill the existing demand for Special Agent resources and to provide for expansion of successful enforcement programs in the near future. Using DEA's Field Management Plans, as well as assessments of Headquarters Drug Investigations Sections and the Office of Intelligence, DEA has categorized domestic cities into three levels with regard to the drug threat they represent and has developed staggered resource requirements based on this classification. The highest category of need includes five cities requiring two new enforcement groups each, the second level incudes ten cities requiring one additional group, and the third contains the remaining four DEA Divisions, for which no current enhancement is requested.

Of the Agents requested for this initiative, 36 will be assigned to the State and local task force program to convert nine successful provisional State and local task forces to program status. This initiative also includes resources to support targeting and immobilizing major trafficking organizations through enhancements to Special Enforcement Operations/Programs (SEO/P), intelligence, domestic cannabis eradication, and chemical control. The Intelligence program enhancement continues the effort, which began in the 1990 budget, to correct the shortfall between investigators and intelligence analysts.

INITIATIVE III: EXPAND DEA'S FOREIGN DRUG SUPPRESSION/ENFORCEMENT PROGRAM

Request: 22 positions (18 Special Agents), 11 workyears, and $4,877,000.

Foreign countries are the principal producers of cocaine, heroin, and marijuana for consumers in the United States. Consequently, DEA views enforcement efforts targeting the supply source as the most crucial component in the National Drug Control Strategy. Essential to initiating international investigations and SEO/Ps is an established framework of intelligence and cooperation which can only be established through long-term liaison within the host country. DEA's request includes opening one new foreign office in Salta, Argentina and increasing staffing in 13 existing offices in order to accomplish an expansion of the foreign program.

Drug Enforcement Administration
Salaries and Expenses
Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For necessary expenses of the Drug Enforcement Administration, including not to exceed
$70,000 to meet unforeseen emergencies of a confidential character, to be expended under
the direction of the Attorney General, and to be accounted for solely on his certificate;
expenses for conducting drug education programs, including travel and related expenses
for participants in such programs and the distribution of items of token value that
promote the goals of such programs; purchase of not to exceed [703] ^ passenger motor 1,293
vehicles of which [489] ^ are for replacement only for police-type use without regard 775
to the general purchase price limitation for the current fiscal year; and acquisition,
lease, maintenance, and operation of aircraft; [$492,180,000] ^ of which not exceed $700,000,000
[$1,200,000] ^ for research shall remain available until expended; and of which not exceed $1,800,000
[$1,700,000] ^ for purchase of evidence and payments for information, not to exceed $4,000,000
[$9,638,000] ^ for contracting for ADP and telecommunications equipment, [and] not to $4,000,000
exceed $2,000,000 for technical and laboratory equipment, ^ shall remain available until and not to exceed $20,550,000 for the purchase of aircraft and equipment,
September 30, [1991] ^ [Provided, That not exceed $30,000 shall be available for 1992: and, of which, not to exceed $10,000,000 shall remain available until
official reception and representation expenses.] expended, for planning, construction, renovation, maintenance,
remodeling, and repair of buildings and the purchase of equipment
incident thereto for a new aviation facility.

(Reorganization Plan No. 2 of 1973; Reorganization Plan No. 1 of 1968; 21 U.S.C. 801-966 as amended; 40. U.S.C. 304; Department of Justice Appropriations Act, 1990; additional authorizing legislation to be proposed.)

[For carrying out efforts at National Drug Control, $64,301,000, for additional agents, support personnel and equipment for improved domestic drug law enforcement; for expanded cleanup and disposal of toxic chemicals from clandestine laboratories; to expand State and local task forces; to complete the nationwide placement of asset removal teams; and to improve intelligence programs.]

(Department of Transportation and Related Agencies Appropriations Act, 1990.)

Explanation of Changes

1. The first change reflects the authorization to purchase 775 replacement passenger motor vehicles and 518 new vehicles in support of 408 new Agents, 96 State and local police officers and 14 new diversion investigators.
2. The second change reflects the authorization to purchase 775 replacement vehicles.
3. The third change increases the authorization for research.
4. The fourth change increases the authorization for two-year funding for the purchase of evidence.
5. The fifth change decreases the authorization for two-year funding for ADP and telecommunications.
6. The sixth change authorizes two year funding for the purchase of aircraft and related equipment.
7. The seventh change authorizes no-year funding for a new aviation facility.
8. The eighth change removes the language authorizing official reception and representation expenses.
9. The ninth change removes the language included in the Department of Transportation Act for 1990.

Drug Enforcement Administration

Salaries and expenses

Crosswalk of 1990 Changes

(Dollars in thousands)

Activity/Program	1990 President's Budget Request			Congressional Appropriation Actions on 1990 Request			Adjustment in Workyears	1990 Sequestration	1990 Reprogramming			1990 as Enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1. Enforcement of federal laws and investigations:														
A. Domestic enforcement..............	1,704	1,610	$140,220	...	...	$3,609	24	($2,009)	...	...	...	1,704	1,634	$141,820
B. SEO&P..............................	559	543	52,697	...	...	1,355	8	(755)	...	...	...	559	551	53,297
C. Foreign cooperative investigations	300	271	50,856	(9)	(4)	(957)	4	(697)	...	...	...	291	271	49,202
D. Diversion control..................	570	552	37,044	...	...	952	8	(530)	...	...	...	570	560	37,466
E. State and local task forces.......	266	247	31,976	...	...	822	4	(458)	...	...	...	266	251	32,340
Subtotal..........................	3,399	3,223	312,793	(9)	(4)	5,781	48	(4,449)	...	...	...	3,390	3,267	314,125
2. Investigative support:														
A. Intelligence......................	549	491	42,258	...	...	1,086	7	(605)	...	...	...	549	498	42,739
B. DEA laboratory services..........	247	233	21,174	...	...	(667)	3	(287)	...	...	...	247	236	20,220
C. DEA training......................	72	70	15,721	...	...	(1,142)	1	(204)	...	...	...	72	71	14,375
D. R&E and technical operations.....	320	310	41,214	...	...	1,059	5	(590)	...	...	...	320	315	41,683
E. ADP & telecommunications.........	115	105	70,853	(6)	(3)	(6,736)	2	(897)	...	...	...	109	104	63,220
F. Records management...............	70	65	4,852	...	...	124	1	(69)	...	...	...	70	66	4,907
Subtotal..........................	1,373	1,274	196,072	(6)	(3)	(6,276)	19	(2,652)	...	...	...	1,367	1,290	187,144

Crosswalk of 1990 Changes

(Dollars in thousands)

Activity/Program	1990 President's Budget Request			Congressional Appropriation Actions on 1990 Request			Adjustment in Workyears	1990 Sequestration	1990 Reprogramming			1990 as Enacted		
	Pos.	WY	Amt.	Pos.	WY	Amt.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
3. State and local assistance:														
A. State & local training............	30	29	$3,196	...	...	$82	...	($46)	...	...	...	30	29	3,232
B. State & local laboratory..........	25	25	1,972	...	...	50	...	(28)	...	...	...	25	25	1,994
Subtotal.........................	55	54	5,168	...	...	132	...	(74)	...	...	...	55	54	5,226
4. Program direction:														
A. Executive direction & control.....	369	357	23,426	(2)	(1)	382	6	(332)	...	...	...	367	362	23,476
B. Administrative services...........	228	224	19,022	...	...	(19)	2	(265)	...	...	...	228	226	18,738
Subtotal.........................	597	581	42,448	(2)	(1)	363	8	(597)	...	...	...	595	588	42,214
Total..............................	5,424	5,132	556,481	(17)	(8)	...	75	(7,772)	...	...	...	5,407	5,199	548,709

- 1990 Congressional Actions: The total amounts represent the denial of requested enhancements totalling 17 positions, 8 workyears and $16,109,000; the establishment of Hazardous Waste Demonstration Projects totalling $2,000,000; and realignment of $14,109,000 in DEA's base funding which DEA used to offset previously absorbed pay costs.
- 1990 Adjustment in Workyears: These workyears represent additional workyears provided to DEA by the Department of Justice from within the Department's authorized ceiling.
- 1990 Sequestration: The funding amounts shown for each decision unit represent that decision units prorata share of the 1990 Gramm-Rudman- Hollings sequestration amount persuant to the Omnibus Budget Reconciliation Act of 1989.

Drug Enforcement Administration

Salaries and expenses

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-Years	Amount
Department of Justice Appropriations Act, 1990	5,407	5,124	$492,180
Department of Transportation, Appropriations Act, 1990-Emergency Drug Funding	...	...	64,301
1990 as enacted	5,407	5,124	556,481
Adjustment to permanent positions and workyears	...	75	...
1990 Sequestration	...	...	(7,772)
1990 Appropriation anticipated	5,407	5,199	548,709
Mandatory increases	...	165	50,416
Decreases	...	...	(20,884)
1991 base	5,407	5,364	578,241

Estimates by budget activity	1990 as Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
1. Enforcement	3,390	3,267	$314,125	3,390	3,374	$337,041	3,940	3,648	$405,125	550	274	$68,084
2. Investigative support	1,367	1,290	187,144	1,367	1,348	189,995	1,520	1,414	242,752	153	66	52,757
3. State and local assistance	55	54	5,226	55	54	5,633	55	54	5,633	...	...	...
4. Program direction	595	588	42,214	595	588	45,572	597	581	46,490	2	(7)	918
Total	5,407	5,199	548,709	5,407	5,364	578,241	6,112	5,697	700,000	705	333	121,759

EOY Employment:	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
Full-time permanent	5,407	867	6,274	5,407	867	6,274	6,112	993	7,105	705	126	831
Other	80	...	80	80	...	80	80	...	80	...	...	...
	5,487	867	6,354	5,487	867	6,354	6,192	993	7,185	705	126	831

Drug Enforcement Administration

Salaries and expenses

Summary of Resources by Program

(Dollars in thousands)

Estimates by Program	1989 as Enacted			1989 Actual			1990 As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Enforcement:																		
Domestic enforcement.....	1,885	1,884	$136,038	1,885	1,877	$143,982	1,704	1,634	$141,820	1,704	1,720	$153,266	2,117	1,927	$191,956	413	207	$38,690
SEO&P.....................	...	...	...	...	...	...	559	551	53,297	559	558	58,276	596	577	71,950	37	19	13,674
OCDE......................	762	759	64,035	762	756	59,397	...	...	...	...	...	...	...	...	...	...	...	...
Foreign coop invest.......	481	435	59,068	481	469	57,368	291	271	49,202	291	271	52,096	313	282	56,973	22	11	4,877
Diversion control.........	580	569	34,863	580	569	35,141	570	560	37,466	570	560	40,333	603	575	42,352	33	15	2,019
State & local task forces.................	239	237	26,868	239	233	24,344	266	251	32,340	266	265	33,070	311	287	41,894	45	22	8,824
	3,947	3,884	320,872	3,947	3,904	320,232	3,390	3,267	314,125	3,390	3,374	337,041	3,940	3,648	405,125	550	274	68,084
2. Investigative support:																		
Intelligence..............	452	412	31,677	452	409	26,881	549	498	42,739	549	546	46,022	634	589	53,145	85	43	7,123
DEA laboratory services...	227	224	15,865	227	222	14,274	247	236	20,220	247	246	19,567	285	265	22,854	38	19	3,287
DEA training..............	72	71	10,438	72	68	10,522	72	71	14,375	72	71	14,970	94	82	16,883	22	11	1,913
Research, engineering and technical operations....	320	280	44,161	320	279	47,214	320	315	41,683	320	315	40,456	341	325	79,940	21	10	39,484
ADP & telecommunications..	133	122	52,484	133	119	54,877	109	104	63,220	109	104	63,739	96	87	64,689	(13)	(17)	950
Records management........	78	74	4,639	78	74	4,896	70	66	4,907	70	66	5,241	70	66	5,241	...	...	...
	1,282	1,183	159,264	1,282	1,171	158,664	1,367	1,290	187,144	1,367	1,348	189,995	1,520	1,414	242,752	153	66	52,757

Summary of Resources by Program, Continued

(Dollars in thousands)

Estimates by Program	1989 as Enacted			1989 Actual			1990 As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
3. State and Local Assistance:																		
State and local training.	30	29	$3,079	30	28	$2,240	30	29	$3,232	30	29	$3,512	30	29	$3,512	...	...	...
State and local lab services	25	25	1,871	25	23	2,144	25	25	1,994	25	25	2,121	25	25	2,121	...	...	...
	55	54	4,950	55	51	4,384	55	54	5,226	55	54	5,633	55	54	5,633	...	...	...
4. Program Direction:																		
Executive direction and control	384	373	21,210	384	370	26,322	367	362	23,476	367	362	25,702	371	357	26,632	4	(5)	$930
Administrative services..	228	217	28,154	228	216	16,609	228	226	18,738	228	226	19,870	226	224	19,858	(2)	(2)	(12)
	612	590	49,364	612	586	42,931	595	588	42,214	595	588	45,572	597	581	46,490	2	(7)	918
Total	5,896	5,711	534,450	5,896	5,712	526,211	5,407	5,199	548,709	5,407	5,364	578,241	6,112	5,697	700,000	705	333	121,759
Reimbursable workyears...		25			25			812			849			899			50	
Total workyears		5,736			5,737			6,011			6,213			6,596			383	
Other Workyears:																		
Holiday		80			80			72			75			80			5	
Overtime:																		
AUO		616			811			682			702			753			51	
Other		56			44			43			44			46			2	
Total compensable workyears		6,488			6,672			6,808			7,034			7,475			441	

Activity: Enforcement	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Domestic enforcement.......	1,704	1,634	$141,820	1,704	1,720	$153,266	2,117	1,927	$191,956	413	207	$38,690
SEO&P..............	559	551	$53,297	559	558	$58,276	596	577	$71,950	37	19	$13,674
Foreign cooperative investigations....	291	271	$49,202	291	271	$52,096	313	282	$56,973	22	11	$4,877
Diversion control..	570	560	$37,466	570	560	$40,333	603	575	$42,352	33	15	$2,019
State & local task forces.......	266	251	$32,340	266	265	$33,070	311	287	$41,894	45	22	$8,824
	3,390	3,267	$314,125	3,390	3,374	$337,041	3,940	3,648	$405,125	550	274	$68,084

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Domestic enforcement.......	1,704	1,634	$141,820	1,704	1,720	$153,266	2,117	1,927	$191,956	413	207	$38,690

Long-Range Goal: Reduce the domestic supply of illicit drugs and disrupt permanently or eliminate the organizations trafficking in those drugs.

Major Objectives:

- o Investigate, arrest, and contribute to the successful prosecution of major drug violators throughout the United States.

- Identify and seize drug evidence and non-drug assets used in or derived from the proceeds of the drug trafficking activities of individuals and organizations involved in the illegal drug trade.

- Reduce domestic production and cultivation of illicit drugs.

- Assist Federal, State, and local law enforcement agencies involved in the fight against illegal drug production, cultivation, and trafficking.

Base Program Description: The Domestic Enforcement program includes the enforcement operations of DEA's 19 field Divisions and the DEA Headquarter's program coordinators. The program uses a variety of investigative tools, including confidential informants, undercover operations, and electronic surveillance, to identify and penetrate drug trafficking organizations that operate nationally and internationally. Domestic Enforcement investigations also involve obtaining and using information from intelligence sources and receiving referrals from other Federal, State and local law enforcement organizations. The program's financial investigations (which involve DEA's Asset Removal Teams) identify and trace assets subject to seizure and forfeiture, and lead to the destruction of the economic bases of drug trafficking enterprises. The Domestic Enforcement program does not include resources provided to Special Enforcement Operations/Programs (SEO/Ps), which are contained in the SEO/P decision unit.

Accomplishments and Workload: Beginning in 1990, DEA's OCDE resources were transferred to the Interagency Law Enforcement appropriation managed by the Department of Justice. The accomplishments and workload of DEA employees participating in the OCDE program will henceforth be represented as a program element of the Domestic Enforcement program.

- Arrests and Convictions: Through its Domestic Enforcement activities in 1989, DEA arrested 14,922 individuals, 9,407 of whom were arrested as a result of DEA initiated investigations. Most of the arrests (80 percent) resulting from DEA initiated investigations were from Geographic Drug Enforcement Program (GDEP) Class I and II cases (Class I and II cases are those that DEA identifies as the most significant). A total of 9,541 defendants in DEA cases were convicted in either Federal or State courts. DEA continued a high level of involvement in the OCDE program, participating in 350 cases in 1989.

- Drug Seizures: Through its investigations, DEA's Domestic Enforcement program in 1989 obtained drug removals of 622 kilograms of heroin, 74,438 kilograms of cocaine, 291,442 kilograms of cannabis, and 72,539 dosage units of dangerous drugs. Removals of cocaine increased by 51 percent from 1988 to 1989.

- Asset Seizures: As a result of DEA's continuing emphasis on asset seizure and forfeiture, DEA seized assets valued at $472 million through Domestic Enforcement activities in 1989. Additional assets valued at $369 million were seized through DEA's efforts in the OCDE program.

- Clandestine Laboratory Seizures: To reduce domestic illicit drug manufacturing, DEA and DEA cooperative investigations led to the seizure of 816 illicit drug manufacturing laboratories in 1989.

Two recent examples illustrate the types of cases in which DEA has been involved:

> By surveilling a 300-pound shipment of phenyl-acetic acid in October 1988, the Los Angeles Division discovered one of the largest methamphetamine laboratories ever encountered in Northern California. Hundreds of pounds of precursor chemicals, more than 72 gallons of methamphetamine in solution, four pounds of methamphetamine powder, and large quantities of laboratory glassware and apparatus were seized. DEA estimates that this laboratory was capable of producing as much as 1,600 pounds of finished product each month and the contents in the lab at the time of seizure would have yielded over 2,079 pounds of methamphetamine with a wholesale value of $210 million. Several indictments are anticipated as a result of evidence seized at the laboratory and a number of businesses and five other pieces of property are undergoing forfeiture proceedings.
>
> In May 1989, DEA, in conjunction with the Bureau of Alcohol, Tobacco and Firearms, the Bureau of Land Management, the U.S. Customs Service, the National Guard, and State and local authorities raided three indoor cannabis growing facilities--the largest marijuana production operation ever detected in the United States. Seizures at these three facilities totalled 9,526 sinsemilla plants, 550 pounds of processed sinsemilla, four real estate properties, 20 vehicles, and $25,000 in gold. Continued investigation led to the indictment of 30 defendants and included four Continuing Criminal Enterprise (CCE) indictments against the organizers of the growing operations; these indictments are the first CCE indictments involving an indoor marijuana cultivation operation.

Accomplishments and workload for the Domestic Enforcement program, including the OCDE program element, are as follows:

Domestic Enforcement	1988 Actual	1989 Actual	1990* Estimate	1991 Estimate
Investigative Workhours by Case Class				
Class I	1,302,773	1,297,434	1,367,160	1,614,638
Class II	283,632	253,849	267,491	315,912
Class III	158,287	129,906	136,887	161,666
Class IV	18,862	11,457	12,023	14,258
Subtotal	1,763,554	1,692,646	1,783,611	2,106,474
General File Workhours	276,073	289,063	304,598	359,735
Total	2,039,627	1,981,709	2,088,209	2,466,209
Arrests by Case Class				
Class I	5,326	5,688	5,944	7,079
Class II	1,918	1,824	1,922	2,270
Class III	1,399	1,578	1,663	1,964
Class IV	353	317	334	395
Subtotal	8,996	9,407	9,913	11,707
Federal Referral Arrests	1,643	1,718	1,810	2,138
DEA Cooperative Arrests	4,259	3,797	4,001	4,725
Total	14,898	14,922	15,724	18,570
Convictions				
Federal Court	5,934	6,629	6,695	7,907
State Court	2,331	2,912	2,941	3,474

Continued	1988 Actual	1989 Actual	1990* Estimate	1991 Estimate
Drugs Removed				
Heroin (Kilo)	628	622	628	742
Cocaine (Kilo)	49,442	74,438	75,182	88,792
Cannabis (Kilo)	577,451	291,442	294,356	347,640
Dangerous Drugs (000 D.U.)	87,280	72,539	73,264	86,526
Clandestine Lab Seizures	810	816	825	908
Asset Seizures ($000)	433,844	471,988	497,353	587,382

Note: Effective in 1990, Organized Crime Drug Enforcement (OCDE) resources were transferred to the Department of Justice; therefore, the Domestic Enforcement workload does not include OCDE efforts. OCDE workload is presented separately below for information only.

Note: DEA's statistical databases are continually revised. Figures shown represent the most accurate statistics available, and may differ from those previously reported.

Organized Crime Drug Enforcement -	1988 Actual	1989 Actual	1990 Estimate	1991 Estimate
OCDE Cases Involving DEA	364	350	364	387
Investigative Workhours	914,062	1,170,679	1,218,679	1,293,079
DEA/OCDE Arrests	2,898	3,946	4,108	4,359
DEA/OCDE Convictions	1,910	2,160	2,249	2,386
Drugs Removed				
Heroin (Kilo.)	34	99	103	109
Cocaine (Kilo.)	1,948	1,622	1,689	1,792
Cannabis (Kilo.)	11,407	2,863	2,980	3,162
Dangerous Drugs (000 D.U.)	1,531	41,459	43,159	45,794
Assets Removed ($000)	$154,676	$368,920	$384,046	$407,492

Note: DEA's statistical databases are continually revised. Figures shown represent the most accurate statistics available, and may differ from those previously reported.

Program Change:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Domestic enforcement....................	1,704	1,720	$153,266	2,117	1,927	$191,956	413	207	$38,690

DEA requests 413 positions (300 Agents, 113 support), 207 workyears, and $38,690,000, to enhance DEA's Domestic Enforcement program by expanding enforcement operations in major domestic source cities and providing additional administrative and technical support to domestic field offices.

Field Administration

DEA requests 38 professional/administrative positions, 19 workyears, and $1,743,000 to provide increased administrative and technical support to domestic field offices. This request directly supports the strategic planning initiative to expand DEA's investigative and administrative support function by augmenting field administrative support in key areas of shortage.

During the past several years DEA has obtained significant increases in its agent work force. In fact, DEA's growth has surpassed 50 percent since 1982 and many Divisions have consequently become diverse organizations with as many as 500 employees. For example, the Miami Division now has a staff of 341 Agents assigned to the Division office, nine resident offices, two district offices, and four country offices. In addition, Special Agent strength in DEA's Divisions has expanded by an average of 55 percent while Miami, Atlanta, and New Orleans have realized a 70 percent growth rate. As new Agents are brought on-board and become productive, they generate substantial levels of administrative and technical support workload.

Field offices are responding to this support deficiency in a variety of ways. First, Agents are typically used to staff field office communication centers. When DEA was organized regionally, each Regional Office had approximately eight radio operators to staff the tactical communications center for all offices it supported. DEA is now located in approximately 165 domestic locations and the number of radio operators has not increased. Given the overriding concern to provide tactical radio support to ensure Agent safety, most offices now staff their own communications centers with Agents; this is, however, an inefficient deployment of Special Agent manpower.

Second, DEA has allocated no administrative support positions to its Division offices since fiscal year 1987, creating a support shortfall throughout the field offices. Considering the wide range of functions this category of positions is responsible for, this shortfall has significant internal control implications. Field administrative support duties include: personnel, fiscal, seized assets, facilities, supplies, procurement, property management, mail and file, and evidence. Because there are no positions which can be diverted into this type of function, such as Agents were for communications, the result is that the work simply is not done at all or, at least, not done well. Taking shortcuts, not following established procedures, and not maintaining adequate internal controls are all quite possible given the workload levels.

Of the 38 positions requested, 23 will be technical positions to increase the existing radio operators staff. This enhancement will allow each Division to have a minimum of 2 operators on staff, enabling them to operate the communication center on a 15-hour a day basis. Duty Agents will provide support during non-peak hours. This request also includes 15 technical/clerical positions to increase general field administrative support.

Priority Targeting

DEA requests 375 positions (300 Agents and 75 support), 188 workyears, and $36,947,000 to expand DEA's domestic drug law enforcement efforts in major drug importation and distribution centers throughout the United States. This request directly supports DEA's strategic planning initiative to target and immobilize major trafficking organizations by expanding DEA's priority targeting initiatives.

The demand for drugs of all types remains at an alarmingly high level and as long as this persists, trafficking organizations will provide an ample supply of illicit drugs. Significant changes in demand reduction can only be accomplished in the long term; therefore, effective law enforcement countermeasures are crucial in the interim. The National Drug Strategy requires a determined, focused, and coordinated effort of investigating and prosecuting major drug traffickers in order to ensure that Federal drug enforcement resources are being effectively directed toward the most significant national and international targets where they can have the most lasting impact on the national drug problem.

Key to this effort is the identification and cataloging of the most significant national and international enterprises responsible for drug importation, manufacture, and distribution in the United States. Such a process will require long-term and sustained investigations, including a consistent commitment of the most qualified investigative personnel and, where appropriate, the extensive use of sophisticated electronic and physical surveillance techniques.

This type of intensive targeting requires a dramatic increase of resources in selected cities. This will enable field enforcement operations in these areas to be increased, without detracting from ongoing successful operations. The level of Agent support required extends beyond the acquisition of only a few Agent positions per designated major trafficking center. One or two Agents per office will not achieve the requisite impact. In order to be effective, DEA offices in these primary source cities must add entire enforcement groups to the effort. For example, one or two Agents will not enable an office to initiate more electronic surveillance, given the labor intensity of this kind of investigation. However, an enforcement group of 15 Agents could completely staff a wiretap, even for an extended period of time, without temporarily halting all other aspects of the investigation. A typical electronic surveillance investigation requires at least 15 Agents: two Agents for three shifts to monitor the wiretaps; and three to four Agents for three shifts for physical surveillance.

Demand for increased DEA resources exists in almost every field office. It is not merely the DEA managers who are calling for increased numbers of Agents; more often, it is the public officials and citizens of our cities who are demanding an increased DEA presence. The local disruption that DEA's efforts have on drug trafficking within a targeted area provides a sense that some progress is being made toward a problem that would otherwise seem insoluble. Further, intensive targeting in selected cities also contributes significantly to DEA's overall enforcement effort. Maintaining consistent enforcement pressure nationwide helps to prevent traffickers from shifting operations to weaker cities, thus improving the chances for optimal effectiveness of DEA's special enforcement operations and programs.

Using DEA's Field Management Plans (plans developed by DEA Field Divisions that establish individual office objectives and specific plans for accomplishing them), as well as the assessments of Headquarters Drug Investigations Sections and the Office of Intelligence, DEA has categorized domestic cities into three levels and has developed staggered resource requirements based on this classification. The highest category of need includes the following five cities (which have also been identified as High Intensity Drug Trafficking Areas by the Office of National Drug Control Policy): Miami, New York, Los Angeles, Houston, and San Diego (part of the Southwest Border High Intensity Drug Trafficking Area). Ten cities are classified in level two: Atlanta, Chicago, Dallas, Detroit, Philadelphia, Phoenix, Seattle, Washington, San Francisco, and Denver. Intelligence estimates indicate that each of these cities rate as extensive or moderate in terms of drug trafficking in three of the four drug categories which include cocaine, heroin, marijuana, and dangerous drugs.

DEA proposes to allocate the 300 requested Special Agents as follows: two new Agent groups consisting of 15 Agents per group in the level one cities, and one new group in each of the level two cities; no enhancements are requested in the third category. These resources will allow one to two additional enforcement groups to operate in each of the major trafficking centers. Enhancements of entire enforcement groups will allow these DEA offices to expand significantly their ability to target major national and international drug trafficking networks, infiltrate these organizations, conduct Title III investigations, and perform other labor-intensive activities.

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
SEO/Ps...........	559	551	$53,297	559	558	$58,276	596	577	$71,950	37	19	$13,674

Long-Range Goal: Reduce the availability of illicit drugs by immobilizing targeted organizations that are substantially responsible for the importation and distribution of drugs and by focusing enforcement operations on specific drug trafficking problems that are of significant concern to law enforcement.

Major Objectives:

- Develop tailored initiatives to address the most significant drug trafficking problems and organizations.
- Implement actions against identified problems/organizations to disrupt or immobilize drug production and trafficking.

Base Program Description: This program encompasses DEA's priority targeting mechanism for identifying and prioritizing action against drug trafficking problems and organizations which have the greatest impact on the U.S. drug availability. Special Enforcement Operations (SEO) and Special Enforcement Programs (SEP) are DEA's highest priority initiatives. They can be targeted at a specific problem (SEP), such as South American coca cultivation, or a particular organization (SEO), such as the Medellin Cartel. They are typically of the highest level; vary in duration (although SEPs tend to be of a more open-ended nature); managed by Headquarters Drug Investigations Sections; and implemented by domestic and foreign field offices. SEO/Ps require significant expenditures of resources that will focus DEA investigative, intelligence, and support resources on trafficking problems and organizations that account for large proportions of illegal drugs distributed in the United States. The current program includes a total of 18 active Special Enforcement Operations and 17 Special Enforcement Programs.

When this activity first surfaced as a distinct program element in the 1990 budget, it was referenced only as Special Enforcement Operations. During the last year, DEA has further refined its organizational structure to distinguish whether the operational focus is a problem or an organization, as described above.

Accomplishments and Workload: Because the SEO/P initiative has just been formalized, a mechanism has just been developed for overall collection and reporting of accomplishments, workload, and resources. A narrative description of operational accomplishments for 35 SEO/Ps would be too voluminous for this document; however, several recent examples are provided to illustrate the types of cases in which DEA has been involved.

Much of DEA's international drug control efforts are carried out through SEO/Ps. SEO cases typically are among DEA's most effective and important operations. Some examples include Operation BLAST FURNACE, a joint effort of the U.S. and Bolivian Governments aimed against cocaine processing laboratories in Bolivia, which all but ended cocaine production during the summer and fall of 1986; and Operation PISCES, a major money laundering operation involving Panamanian banks, which resulted in the arrest of 400 major violators, seizure of $77 million in assets and 22,000 kilograms of cocaine.

The fluidity and specialization of SEO/Ps make them DEA's most effective and important operations. For example, one SEO targeting the Medellin cartel, linked 70 active investigations in 44 DEA offices worldwide. Last year, the results of this effort included seizure of almost 32 metric tons of cocaine; 1.25 million gallons of precursor chemicals; $21.3 million in U.S. currency; and the arrest of 570 Medellin cartel traffickers. A second SEO targeting the Cali cartel comprises 121 investigations in 57 DEA offices. Last year's results were similarly impressive: the seizure of almost 27 metric tons of cocaine and $48 million in U.S. currency, accompanied by the arrest of 340 Cali cartel members.

Another major SEO, targeting Southeast Asian traffickers operating primarily in New York, has been in operation since February 1987 and currently encompasses 57 active Class I investigations in eight domestic and five foreign offices. During the last two years, this SEO has resulted in arrests of approximately 67 Class I traffickers, seizure of over 400 kilograms of Southeast Asian heroin and $16 million in assets, and the total dismantling of at least five major importing organizations. One particular investigation, which was recently concluded, resulted in the arrest of the principal member, along with nine associates, of a group trafficking Southeast Asian heroin from Hong Kong to New York. This group is believed to be responsible for shipping more than 1,000 pounds of heroin to New York during a two-year period as well as hundreds of pounds to Europe, Australia, and Canada. This investigation uncovered a large scale money laundering operation in which approximately 30 New York bank accounts were used to transfer funds to over 100 accounts in Hong Kong.

In 1988 (the last year for which statistics are available), the Domestic Cannabis Eradication/Suppression Program, which provides financial and technical assistance to States and localities for domestic cannabis eradication activities, was responsible for 6,000 arrests, destruction of 5.3 million cultivated plants and 1,240 indoor growing plots, and seizure of $9.8 million and 2,034 weapons.

Program Change:	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
SEO/Ps..........................	559	558	$58,276	596	577	$71,950	37	19	$13,674

DEA requests 37 positions (30 Agents and 7 support), 19 workyears, and $13,674,000, including $10,000,000 in program funding for domestic marijuana eradication, to enhance Special Enforcement Operations/Programs (SEO/Ps) such as Operation SNOWCAP in Latin America.

Foreign SEOs/Domestic Replacement Resources

In 1990, DEA formally established and institutionalized its Special Enforcement Operations/Programs initiative. To meet the Administration's funding levels in 1990, the initiative was funded slightly below the 150 Agents that were required. The full request would have replaced the full complement of Agent workyears that foreign SEO/Ps were utilizing from domestic enforcement programs.

Considering that all of the cocaine and heroin, and most of the marijuana consumed in the United States originates in foreign countries, international drug control is an area of primary concern for the U.S. Government. International drug enforcement is crucial for two reasons: first, evidence exists that the excessive supply of drugs creates even greater levels of demand; second, disrupting the first and least lucrative link in the grower-to-user chain will reduce the profits of trafficking organizations at a much smaller relative cost to drug law enforcement.

DEA's international enforcement and suppression programs play a significant role in the implementation of the Federal Government's international narcotics control strategy. Specifically, DEA's role overseas includes encouraging, advising, and assisting host governments in programs to identify and disrupt international trafficking organizations, reduce the supply of drugs, immobilize clandestine conversion laboratories, identify and destroy clandestine staffing areas and airstrips, and reduce the diversion of precursor and essential chemicals and licit drugs. During 1988, and continuing in 1989, DEA utilized the equivalent of 150 Special Agent workyears conducting four major foreign SEOs. The diversion of these resources from domestic enforcement activities to fund these SEO/Ps has created a significant drain on the capabilities of the domestic program to accomplish its wide-ranging mission. The foreign initiatives are expected to continue at an equal or increased level of activity into the 1990's. This enhancement will ensure that DEA's foreign SEO/Ps can continue at current levels, without compromising domestic investigative capabilities.

Domestic Cannabis Eradication

DEA requests $10,000,000 in special funding to assist the State and local governments in their cannabis eradication activities. These funds will be used to augment the efforts of the Domestic Cannabis Eradication/Suppression program, which will be able to provide increased support (including training and funding) to participating State and local governments to target and destroy domestic cannabis cultivation.

According to recent intelligence estimates, the United States has become the second largest producer of marijuana in the world. Domestically cultivated cannabis accounted for 25 percent of the marijuana consumed in the United States last year. As enforcement pressure directed at interdiction and source country eradication intensifies, the domestic growers' market share is expected to increase. Unfortunately, this may be inevitable. The potency of domestic cannabis continues to increase, making domestic marijuana increasingly the marijuana of choice among American consumers. Consequently, the United States could easily become the world's supplier of top quality marijuana, surpassing foreign production.

Further, intelligence has indicated that marijuana trafficking organizations are becoming increasingly sophisticated and extensive. Many groups now control multi-State, and sometimes international, operations that are well financed and highly organized. Frequently, these groups are switching from large outdoor plots to scattered plots and indoor greenhouse cultivation. For example, two growers in Michigan who, prior to their arrest, were cultivating 105 separate marijuana plots throughout the State.

In response to this increase in domestic cannabis cultivation, the Administration's Drug Strategy has called for an expanded national domestic cannabis eradication effort. This increased effort will require concomitant increases in the level of effort by participating States. However, a recent survey of the top marijuana producing States indicates that they have insufficient resources to expand their programs without increased Federal assistance.

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Foreign Cooperative Investigations....	291	271	$49,202	291	271	$52,096	313	282	$56,973	22	11	$4,877

Long-Range Goal: Reduce the supply of drugs entering the United States and reduce the amount of illicit drugs cultivated, processed, and consumed worldwide.

Major Objectives:

- Assist the United States Department of State and host country officials in efforts to reduce illicit crop production.
- Disrupt narcotics trafficking as close to the drug source as possible. Focus in 1991 will continue in the areas of: international coordinated operations, legislative initiatives, expansion of DEA's overseas presence, and chemical control initiatives.
- Prevent drugs, ultimately destined for the United States, from entering international trafficking channels.
- Develop the groundwork for international investigations by establishing informant, intelligence, and diplomatic liaison within host countries.
- Increase the number of DEA foreign offices from 67 in 1990 to 68 in 1991.

Base Program Description: The Foreign Cooperative Investigations Program (FCIP) addresses the problem of drugs of foreign origin destined for consumption in the illicit market in the United States. The majority of illicit drugs available in the United States are of foreign origin. DEA's overseas efforts are directed towards encouraging, advising, and assisting host country governments in the development of programs to reduce the supply of drugs at or near the agricultural source; immobilizing foreign clandestine conversion laboratories; identifying export staging areas and interdicting the drugs; and reducing the diversion of legitimate drugs from international commerce. DEA's efforts include maintaining informants and developing intelligence that lead to cooperative arrests and drug removals in the host country and to investigations of United States distributors associated with these supply sources. DEA's presence is at the invitation of the host country. The FCIP program does not include resources provided to foreign Special Enforcement Operations/Programs (SEO/P), which are contained in the SEO/P decision unit.

Accomplishments and Workload: Successes in DEA's foreign operations continued during 1989 with 923 cooperative arrests, and drug removals of approximately 2,769 kilograms of heroin, 3,024 kilograms of cocaine, 13,900 kilograms of cannabis, and 51,576,000 dosage units of dangerous drugs. Foreign offices provided direct operational support to DEA Special Enforcement Programs and Special Enforcement Operations, including Operations SNOWCAP, CALICO, and BOLIVAR. Disruption of the operations of major international cartels trafficking in cocaine, heroin, marijuana, dangerous drugs, and chemical precursors resulted in the accomplishments listed below:

Foreign Cooperative Investigations	1988 Actual*	1989 Actual	1990 Estimate	1991 Estimate
Workhours				
Investigative	155,747	168,573	168,573	172,124
General File	113,022	116,875	116,875	119,337
Intelligence	8,678	9,317	9,317	9,513
Liaison	26,562	25,687	25,687	26,228
Total Workhours	304,009	320,452	320,452	327,202
Cooperative Arrests by Drug Type				
Heroin	503	432	432	441
Cocaine	585	392	392	400
Cannabis	86	83	83	85
Dangerous Drugs	64	16	16	16
Total Arrests	1,238	923	923	942
Cooperative Drug Removals				
Heroin (Kilo.)	6,158	2,769	2,769	2,827
Cocaine (Kilo.)	11,047	3,024	3,024	3,088
Cannabis (Kilo.)	59,846	13,900	13,900	14,193
Dangerous Drugs (000 D.U.)	10,638	51,576	51,576	52,662

* DEA's statistical databases are continually revised. Figures shown represent the most accurate statistics available, and may differ from those previously reported.

- The International Drug Enforcement Conference (IDEC) continues to function effectively building on the cooperative experience of the IDEC Initiative during 1988. Precursor chemical control legislation has continued to be a high priority in IDEC with approximately one quarter of the participating countries implementing or planning to implement these very effective controls. When DEA began drawing attention to the chemical issue in the early 1980's, none of the 30 participating IDEC countries had chemical legislation. With the enactment of the Chemical Control provisions in the Anti-Drug Abuse Act of 1988, the United States has, with the support of IDEC participating countries, taken the lead in the development of a new and comprehensive chemical program. This success has also led to positive working relationships throughout Latin America and a climate in which to expand chemical control liaison activity into Europe in the 1990's.

- DEA advocates the use of specific legislative tools to control international illicit drug trafficking. DEA contributed to the drafting of the new United Nations Treaty that contains far reaching legal instruments to address this international problem. The major articles of this draft Treaty include provisions to address extradition, precursor chemical control, asset forfeiture, controlled deliveries, and other effective law enforcement techniques.

- The United States and the U.S.S.R. signed a Memorandum of Understanding involving cooperative efforts to combat illegal narcotics trafficking during 1988. The DEA Administrator has traveled on several occasions to the Soviet Union for discussions concerning the increasing drug problem affecting their country. As a result, more specific coordination has been initiated with regard to information exchange on narcotics traffickers and precursor chemicals, and law enforcement training. The initial follow-up visit by DEA's Vienna Country Attache in March 1989 resulted in unexpected openness and enthusiasm by Soviet counterparts.

- Based on information provided by a DEA confidential informant from January 28 to February 4, 1989, the Colombian National Police Anti-Narcotics Unit launched Operation Primavera, targeting the Medellin Cartel's cocaine hydrochloride laboratory production facilities near Puerto Triunfo, Antioquia. Sixty specially trained anti-narcotics troops participated in raids that destroyed 25 laboratories and resulted in seizures of 1,180 kilograms of cocaine base, and hundreds of thousands of gallons and kilograms of chemicals. These laboratories were capable of producing approximately 5,000 to 6,000 kilograms of cocaine hydrochloride per week. The chemicals seized could have produced 88 metric tons of cocaine. DEA's Bogota Country Office continues to assist in follow-up investigations to determine the sources for the chemicals seized.

Program Change:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Foreign Cooperative Investigations....	291	271	$52,096	313	282	$56,973	22	11	$4,877

DEA requests 22 positions (18 Special Agents, 4 technical/clerical), 11 workyears, and $4,877,000 including $505,000 in special program funding, to expand DEA's presence overseas in select source and transshipment countries.

DEA proposes the establishment of one new office in Salta, Argentina (2 Agent positions) and the expansion of 13 existing offices (16 Agent positions). This request includes $505,000 for start-up costs to open the new office. Expansions are planned to enhance successful programs with critical personnel shortages in Bogota, Colombia; Caracas, Venezuela; Guatemala City, Guatemala; Curacao; Asuncion, Paraguay; Tegucigalpa, Honduras; San Jose, Costa Rica; Canberra, Australia; Lagos, Nigeria; Nicosia, Cyprus; Peshawar, Pakistan; Karachi, Pakistan; and Milan, Italy.

Since all of the cocaine and heroin, and most of the marijuana consumed in the United States, originates in foreign countries, it is imperative that DEA focus resources on those countries serving as source, staging, and transshipment points. DEA's role overseas includes encouraging, advising, and assisting host governments in programs to identify and disrupt international drug trafficking organizations, reduce the supply of drugs, immobilize clandestine conversion laboratories, identify and destroy clandestine staging areas and airstrips, and reduce the diversion of precursor and essential chemicals and licit drugs. The breadth of this mission requires DEA to ensure that adequate resources are maintained in previously identified problem areas. Further, the continued success of DEA's Foreign Cooperative Investigation program requires a sufficient level of resources in order to ensure that changing trafficking trends will be adequately identified so that effective enforcement programs can be developed and implemented.

In order to maintain the level of intelligence and operational support to host countries required to sustain an effective world-wide cooperative effort, DEA must enhance its Foreign Cooperative program in the following areas:

- Argentina: Salta, Argentina is located in a remote area that is strategic to the transshipment of cocaine and chemicals. Salta is approximately 150 miles from the nearest DEA office in Asuncion, Paraguay, and the only other DEA office in Argentina is Buenos Aires, almost 250 miles away and staffed with only three Agents.

- Colombia: Colombia is a focal point of DEA's various Latin American initiatives and the Bogota Country Office is overtaxed with providing framework intelligence, liaison support, tactical coordination and oversight for approximately six SEO/Ps. The large number of Agents temporarily assigned make it even more difficult for this office to perform all of its required duties. Because of the significance of Colombia to DEA's foreign strategy, expansion and institutionalization of these and future SEO/Ps is crucial; however, this cannot be accomplished without additional permanent resources for the Bogota Office.

- Venezuela: U.S. Embassy personnel in Port-au-Spain and Georgetown have urged DEA to provide additional resources in Trinidad and Tobago, and Guyana, which provide a staging area for cocaine smuggling. Resources are also required to gather additional intelligence and enhance marijuana eradication efforts by host country officials.

- Guatemala: The Guatemalan chemical control program is designed to be a model for cooperative programs in other countries. This operation will use sophisticated enforcement techniques such as storefronts, undercover operations, and pipeline procedures to restrict the flow of precursor and essential chemicals through Guatemala, Belize, El Salvador, Honduras, and eventually Mexico. This position will also address the increased workload generated by the targeting of high level trafficking organizations. DEA guidance will also be required for ongoing marijuana and opium eradication campaign monitoring.

- Curacao: Enforcement operations within mainland countries of South America are predicted to force Colombian cartels to areas such as Curacao and the Eastern Caribbean. Curacao has minimal enforcement capability when compared to the corrupting influence of the cartels. Aruba has been identified as an increasingly important transshipment point for chemicals manufactured in Europe, primarily West Germany, and destined for Colombia. DEA must be prepared to counter the continued expansion of these criminal enterprises.

- Paraguay: Since the opening of the DEA office in Asuncion in 1988, Paraguay's role in illicit narcotics trafficking has been found to be more significant than was previously estimated. Paraguay is a transshipment area for cocaine and has a considerable marijuana cultivation problem. The country has been identified as a transit location for precursor chemicals destined for laboratories in Bolivia; cocaine processing sites have been sighted along the border with Bolivia. Paraguay's police force requires considerable guidance and training.

- Honduras: When the Tegucigalpa Country Office was opened in 1987, it was intended to be staffed with two Special Agents to cover the neighboring countries of Honduras and El Salvador. Assigning only one Agent resulted in El Salvador remaining the responsibility of the Guatemala City Country Office. Enhanced resources will realign the office to conform with the original plan and, more importantly, will provide resources to pursue the increasing evidence that Colombian cartels are operating in and through Honduras.

- Costa Rica: Ongoing efforts to conduct sensitive investigations, support marijuana eradication, and monitor chemical movement are significant. Expansion programs are needed to address the cargo smuggling of cocaine through Costa Rica and pursue evidence of cocaine conversion laboratories and huge caches of U.S. currency.

- Australia: With only one Agent currently in place, time is spent primarily in administrative functions to support the U.S. Ambassador and DEA Headquarters, or in liaison activity that requires time-consuming travel to New Zealand and the islands in the South Pacific south of the equator. An additional Agent would allow for more operational support and liaison with host country officials and more time-sensitive responses to the many requests for case support from DEA Domestic Divisions.

- Nigeria: Most countries in Western Africa need significant direct support in order to carry out drug investigations. This has been demonstrated during 1988 in Benin and Togo. These countries with no viable narcotics enforcement were provided training in drug identification and smuggling techniques. This training resulted in seizures by Benin Customs and police within a two-week period of 39 kilograms of heroin, and 65 kilograms seized by the Togo Customs in a one-month period. This additional position would enable these kinds of successes to be repeated throughout West Africa. Resources could also be dedicated to continue to pursue well-documented, high-level Nigerian trafficking organizations smuggling heroin into the United States.

- Cyprus: An enhancement in Cyprus will contribute vital intelligence resources needed to fully explore data on Southeast Asian heroin smuggling. Cyprus also serves as a secure meeting place for many international Middle Eastern narcotics traffickers, providing additional intelligence collection opportunities.

- Pakistan and Italy: The additional position in Peshawar will augment operations at the Pakistan/Afghanistan border. Karachi is the major port of the region and would play an important role in increased heroin trafficking out of Afghanistan. Milan is part of the Balkan Route for heroin trafficking. There is a sizable Middle Eastern population in Milan and a concentration of suspected trafficking groups.

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Diversion control..	570	560	$37,466	570	560	$40,333	603	575	$42,352	33	15	$2,019

Long-Range Goal: Prevent legitimately produced controlled substances from being diverted into illicit channels.

Major Objectives:

- Conduct investigations of suspect practitioners and evaluations of registrant qualifications.

- Enforce all provisions of the Chemical Diversion and Trafficking Act of 1988. Assist foreign countries to prevent international drug and chemical diversion and eliminate diversion of controlled substances. Provide drug and chemical diversion expertise and intelligence directly in two primary chemical source countries, as well as Headquarters coordination worldwide.

- Assess the ability of the States to control diversion and assist them in their drug diversion control efforts.

- Identify all new substances which are being abused or have abuse potential, determine their placement in the appropriate Controlled Substances Act drug schedule and establish manufacturing quotas.

- Respond in a timely fashion to all requests concerning drug control issues and import/export data.
- Register all legal handlers of Schedule I and II controlled substances.

Base Program Description: The Diversion Control program seeks to reduce, to the maximum extent possible, the diversion of legitimately produced controlled substances into illicit channels at all levels of distribution and to provide leadership and support to ensure that State and local agencies and the pharmaceutical industry establish and maintain programs and policies to control diversion. The areas of the Diversion Control program include the following:

- Criminal Diversion Investigations: It is estimated that 12,000 practitioners are involved in activities that violate the Controlled Substance Act (CSA). Under the Targeted Registrant Investigations Program, DEA identifies the highest level violators responsible for large scale diversion and conducts high quality and timely criminal investigations of their diversion activities.
- Public Interest Revocation Investigations: DEA may deny an application for registration or immediately revoke or suspend a registration if it is determined that the issuance would be inconsistent with the public interest.
- CSA Mandated Cyclic Investigations: Cyclic investigations ensure that diversion does not occur at the manufacturer, distributor or wholesale levels of the distribution chain.
- Pre-registrant Investigations: Pre-registrant investigations ensure that only qualified individuals or companies are authorized to acquire or dispense controlled substances.
- State and Local Assistance: DEA assesses State programs aimed at suppressing the diversion of controlled substances from scientific, medical, research and legitimate distribution channels. In addition, the State Assistance Program provides expertise, leadership and guidance to the States consistent with national objectives.
- Drug Scheduling: DEA is responsible for determining the appropriate placement of controlled substances on the CSA Schedule. There are five established schedules, each of which imposes varying degrees of control over prescribing, distributing, producing, recordkeeping and providing physical security.

- Chemical Act: DEA receives and determines the legitimacy of all import/export declarations of listed chemicals, including foreign firms importing U.S. chemicals. DEA has the authority to stop suspect chemical shipments, to reject applications by chemical companies for "regular customer" status, and to follow up clandestine laboratory seizures to determine chemical supplier culpability, if any, in the diversion of listed chemicals. In addition, DEA is required to audit all U.S. chemical companies once every three years.

Accomplishments and Workload:

- Practitioner Investigation Program: DEA criminal diversion investigations increased by 150 percent during 1989 with a 50 percent increase in fines and seizures as compared to 1988. During 1989, DEA's diversion investigators have conducted 1,505 criminal diversion investigations and 441 public interest revocation investigations which resulted in the arrest of 272 individuals and fines and seizures in excess of $15.9 million. Also in 1989, 214 orders to show cause were referred for administrative revocation, denial or suspension of controlled substance privileges, and 59 administrative hearings were held.

- Non-Practitioner Investigations Program: During 1989, DEA conducted 843 cyclic investigations of drug manufacturers, wholesalers, distributors, import/export firms and narcotic treatment programs. As a result of these investigations, DEA issued letters of admonition to 419 firms citing failure to comply with regulations designed to prevent diversion which will later be used for more stringent action should violations continue. There were 930 pre-registrant investigations conducted during 1989.

- Chemical Control Program: The Chemical Diversion and Trafficking Act requires that United States exporters supply the names and addresses of their foreign customers for the chemicals listed in the law to the DEA for review. A central mechanism has been established to receive and process required declarations on all shipments of listed chemicals to foreign destinations. In order to determine the legitimacy of the foreign firms submitted by United States exporters for regular customer status, diversion investigators were sent on temporary assignment to Mexico, Guatemala, Colombia, Venezuela, Peru, Equador, Jamaica and Costa Rica. Foreign firms in other areas of the world were reviewed by the local DEA office.

  DEA has also established on-going chemical control/monitoring programs in Guatemala, Venezuela, Equador, and Mexico and deployed diversion investigators to certain strategic Latin American countries and Caribbean regions to assess the need for a chemical monitoring and tracking program.

Without exception, all assessments indicated that the establishment of a chemical monitoring program would provide invaluable information in identifying suspicious shipments of essential chemicals enroute to cocaine processing labs in South America. Additionally, these assessments provided information on the volume of chemicals imported, as well as the legitimate need for such chemicals. DEA is developing a microcomputer database and communications system to serve as a chemical import/export information system for Colombia. It is anticipated that this communications systems will be expanded to other key Latin American countries in the near future.

- State and Industry Programs: In March 1989, the Fourth National Drug Conference was attended by 80 high level State drug control officials representing 44 states and jurisdictions. The conference addressed critical and often controversial issues which included chemical control programs to curtail the almost exclusive use of U.S. manufactured chemicals by clandestine laboratory operators in the United States and throughout South America; the increasing problem of prescription drug abuse which now accounts for almost half of the total U.S. drug abuse problem; and the growing problem of steroid abuse by young people.

  To ensure industry compliance with the regulations, DEA conducts liaison activities with the pharmaceutical industry to explain the purpose and intent of the law and to provide clarification of its provisions. Industry liaison initiatives included a national conference for the pharmaceutical industry to identify concerns and problems and to provide mutually agreed upon solutions; the issuance of publications containing important up-to-date information; and DEA participation in national industry and professional meetings.

  The Chemical Control and Diversion Act of 1988 requires DEA to regulate an entire new industry. New regulations affecting fifteen national associations and thousands of chemical handlers are being drafted. Programs have been initiated to educate both the chemical industry and DEA personnel in carrying out the provisions of this law. DEA conducted a Chemical Industry National Conference which was attended by representatives of 53 domestic chemical companies and national associations. DEA conducted seminars with the chemical industry in Houston, Chicago, and New York. Representatives from 300 firms were in attendance. A "Chemical Handlers Handbook" has been developed by DEA which is geared toward assisting the industry in complying with the new law. This handbook is expected to be published in early 1990.

- Drug Scheduling and Quota Programs: DEA has used its emergency scheduling power to control 17 of the most dangerous and prevalent of the controlled substance analogues (designer drugs). To date, 14 other substances have been placed under permanent scheduling, and one more is in the process of being permanently scheduled. DEA has also initiated a risk assessment contract to predict possible new drugs of abuse.

During 1989, DEA permanently controlled two Methylene Dioxy Methamphetamine (MDMA) analogues. DEA completed the preparation of the Critical Review Document and conducted reviews of 37 benzodiazepines and propylhexedreine for the World Health Organization for rescheduling under the Psychotropic Convention. DEA participated in a narcotic raw material policy review with the Department of State, and a study of the scientific and medical utilization and availability of cocaine.

Under the Controlled Substances Analogue Enforcement Act, DEA scientists have provided expert testimony in criminal trials which resulted in the successful prosecution of "designer drug" manufacturers. DEA has also provided technical expertise in quota hearings, in a lengthy administrative hearing related to the scheduling of MDMA, in a hearing concerning the placement of marijuana in Schedule II, and at the Program Planning Working Group of the World Health Organization. Additionally, a microcomputer based electronic bulletin board was designed and developed to provide the most current information on drug analogues, scheduling actions, and listed chemicals to State, local and Federal agencies.

In 1989, 2,500 documents were issued by DEA for the importation and exportation of controlled substances. Additionally, DEA established approximately 900 procurement and manufacturing quotas and processed over 300 exempt chemical and prescription drug product applications.

o Regulatory Support Program: During 1989, approximately 300,000 new and renewal registration applications were processed. In addition to restricting access to controlled substances to a limited number of qualified applicants, this program also provides for an annual income of approximately $15 million which offsets the cost of the registration and diversion investigation programs. This program was also responsible for the issuance of 326,000 order form books for the purchase of Schedule I and II substances during 1989, and the issuance of 85,000 order form requests. In addition, 199 certified statements for use in Federal and State judicial proceedings were issued and responses were prepared for 48 requests from various State agencies for CSA master file lists.

Over 14 million ARCOS (Automated Record and Consolidated Ordering System) transactions were processed in 1989. Drug distribution sales profiles were developed for 339 registrants through the use of ARCOS data. During 1989, approximately 1,500 changes, additions or deletions were made to the ARCOS New Drug Code dictionary.

Through the Diversion Assessment Program, numerous registrants who were involved in large-scale criminal diversion of controlled substances were identified and targeted for investigation. As a direct result of this targeting, three Special Enforcement Operations were initiated which are geared toward eliminating the diversion of controlled drugs and arresting those responsible.

DEA is currently undertaking a study to determine the most efficient and economical means of implementing an electronic ordering and recordkeeping system for controlled substances. An electronic ordering system would enable DEA registrants to use electronic media when ordering all controlled drugs to provide the contemporaneous input of transaction data into ARCOS, to electronically verify CSA registrant information prior to the completion of a transaction and to allow more efficient ordering and reporting of controlled drugs.

The Drug Abuse Warning Network (DAWN) continues to provide trends in abuse of drugs. This information will be particularly useful in the review of the benzodiazepines.
Investigative accomplishments of the diversion control program are presented in the following table:

	1988 Actual	1989 Actual	1990 Estimate	1991 Estimate
Cyclic Investigations	771	843	850	850
Criminal Diversion Investigations*	1,003	1,505	1,530	1,540
Pre-registrant Investigations	1,300	1,300	1,300	1,300
Public Interest Revocation Invest.	370	441	450	450
Chemical Diversion Investigations	...	...	42	56

* Includes all complaint initiated investigations

NOTE: Figures shown represent the most accurate statistics available, and may differ from those previously reported.

Program Change:	1991 Base			1991 Request			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Diversion Control...............	570	560	$40,333	603	575	$42,352	33	15	$2,019

DEA requests a net of 33 positions, 15 workyears, and $2,019,000. This request includes an enhancement of 35 positions (28 diversion investigators and 7 support), 17 workyears, and $2,031,000 to implement the Chemical Control and Diversion Act of 1988 in the Domestic Divisions. In addition, chemical movement intelligence support will be provided at Headquarters and in select Country Offices with specific chemical control needs. This request directly supports DEA's strategic planning initiative to target and immobilize major trafficking organizations by expanding DEA's priority targeting initiatives. This request also reflects program decreases for management and productivity savings of 2 positions and $12,000 for pharmacist registration activities. This decrease is discussed in the justification of multi-program changes.

Chemical Act Implementation

DEA requests 31 positions (25 diversion investigators and 6 support) and $1,803,000 for DEA Domestic Offices to implement the Chemical Diversion and Trafficking Act, enacted as part of the Anti-Drug Abuse Act of 1988. This legislation provides DEA with an efficient, inexpensive tool to attack drug suppliers. The intent of the legislation is to control the sale and distribution of precursor and essential chemicals to prevent their being available to clandestine laboratory operators worldwide. By depriving clandestine laboratory operators of the chemicals required to produce cocaine, heroin, and clandestinely produced dangerous drugs such as methamphetamine, PCP and amphetamine, DEA can sharply reduce their supply at a relatively low cost.

Implementation of this significant legislative tool requires additional DEA resources. Approximately 6,000 chemical suppliers (a conservative estimate) must be audited every three years. In addition, import investigations will require many additional work hours. Full implementation of the Chemical Act also requires follow-up investigations following lab seizures to ascertain the source of the chemicals found on site and determine if the chemical supplier has violated the Act; an evaluation of the legitimacy of foreign importers of United States precursor and essential chemicals; and the encouragement of voluntary industry compliance with the Act through such liaison activities as on-site visits to firms, training seminars, and traditional means of disseminating information. These additional responsibilities will require significantly more diversion investigator positions.

Increasing the available diversion investigative resources will result in increases in follow-up investigations resulting from laboratory seizures to ascertain the source of the chemicals found on-site and determine if the chemical supplier has violated the Chemical Act. The diversion investigators will also evaluate the legitimacy of foreign chemical importers, conduct compliance audits, encourage voluntary compliance, conduct training seminars, and disseminate information as appropriate. With these enhancements, DEA can make a significant impact on chemical companies supplying essential and precursor chemicals to domestic and overseas clandestine laboratories.

Chemical Movement

DEA requests 3 additional diversion investigators, 1 support position and $228,000 to monitor chemical movements and advise Headquarters managers and Country Attaches on matters relating to chemical movement intelligence.

Enormous quantities of precursor and essential chemicals are being shipped internationally to clandestine laboratories. Many of these shipments are originating in the United States. Currently there does not exist within DEA, or any other drug law enforcement agency worldwide, any formal system for monitoring this chemical movement. Intelligence on chemical movements would be invaluable in ensuring the interception or control of essential chemical and precursor shipments, effectively disrupting the operation of clandestine laboratories. Such intelligence could also be used to provide information on the clandestine laboratories themselves by tracking their essential chemical and precursor shipments. Personnel with specialized expertise must be located in primary source countries for chemical production to ensure the timely analysis and dissemination of intelligence. Diversion investigators would be best qualified to distinguish the shipments not destined for legitimate purposes.

DEA will assign one Diversion Investigator to West Germany and one to Venezuela, in response to the volume of chemical production in each country, and each country's eagerness to initiate chemical control programs. In addition, DEA will place one Diversion Investigator in Washington, D.C. to communicate all United States suspect chemical shipments to the appropriate domestic field division for immediate follow-up and to coordinate intelligence concerning the international shipment of suspect chemicals.

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and local task forces......	266	251	$32,340	266	265	$33,070	311	287	$41,894	45	22	$8,824

Long-Range Goal: Facilitate a maximum contribution from State and local governments and engender intergovernmental cooperation in order to reduce drug availability and immobilize major drug trafficking organizations at all levels.

Major Objectives:

- Conduct quality investigations leading to the arrest, prosecution, and conviction of drug traffickers, as well as the financial immobilization of their organizations.
- Establish and maintain an effective intelligence exchange with participating State and local law enforcement agencies in order to enhance and expand the Federal drug law enforcement intelligence network.
- Develop intelligence and investigations that become a springboard for more complex Federal investigations, launched as a result of the initial efforts of a task force.
- Continue to increase the percentage of Class I and II cases and arrests by at least five percent.

Base Program Description: The State and Local Task Force program effectively enlists the resources and support of State and local enforcement agencies in Federal drug enforcement efforts. The task force program assists in fulfilling DEA's responsibility to provide a diverse, creative, and all-encompassing Federal response to the multi-faceted and complex drug problem. By working together, DEA Agents and State and local police officers achieve increased cooperation and communication that aids the investigative process at the working level to help make DEA's cases more productive. The program expands the workforce under DEA's supervision; provides State and local officers special equipment and conveyances when needed for DEA undercover operations; contributes substantial intelligence to DEA's data bases; and achieves enhanced cooperation with local banks, thus improving DEA's ability to obtain emergency flashrolls and temporary storage of monies.

As of January 1990, there are a total of 57 task forces in the program, of which 49 are program funded and 8 are provisional. The 8 provisional task forces are as follows: Boston, MA; Columbus, OH; Saginaw, MI; North Lake Tahoe, NV; Weschester County, N.Y; San Diego Lab, CA; Fresno, CA; and San Francisco Airport, CA. DEA is currently evaluating requests by division offices to initiate additional provisional task forces to take the place of those task forces converted to program funded in 1990. By the end of 1990, 51 task forces will be program funded and approximately 13 will be provisional.

The provisional task force program was established in 1987 to identify task force potential and manage program resources more effectively. Under this plan, State and local law enforcement officials establish working relationships with the local DEA field office to demonstrate the potential of a proposed task force before it is funded under the task force program. The provisional program serves as a test-bed for future program-funded State and local task forces, and provides DEA management with a basis for assessing performance potential and information for projecting future resource requirements. While in the 12-15 month provisional period, a task force must prove that it can perform at a level comparable with other program-funded task forces. Performance is regularly assessed and a decision is made at the end of the provisional period to fund or disband the task force. Restrictions are imposed upon the length of participation in the provisional program and upon the total number of task forces that can participate. Since its inception, 9 provisional task forces have become program funded and 18 have been disbanded. The three provisional task forces that were converted to program funded status in 1988 performed at a commensurate rate with other program task forces. It should be noted that one of the assumptions underlying the provisional task force program is that when a provisional task force demonstrates the effectiveness of its operation, DEA will allocate program funds for its operation. If these funds are not obtained through a budget enhancement, they are reprogrammed from the Domestic Enforcement program. DEA anticipates there will be an increasing demand from the field, and State and local police for State and local task forces.

Accomplishments and Workload: State and local task forces were responsible for 6,750 arrests in 1989, 62 percent of which were Class I and II. Continuing the program's record of annual improvement, Class I and II arrests increased 10 percent over 1988 totals. With an investment of only five percent of the total budget authority for DEA and four percent of DEA's total position ceiling, the task force program was responsible for 33 percent of the total DEA arrests and 20 percent of the total cocaine and heroin seizures. The potential return on investment of the task force program is self-evident; in fact, the task forces seized assets valued at almost four times the amount the entire program cost the Federal government in 1989. State and local governments are entitled to an equitable share in the assets forfeited as a result of their contributions to investigations. In 1989, DEA shared $149.8 million in forfeited assets with State and local governments.

In the early 1980's, the State and Local Task Force program was considered primarily a State and local assistance program. However, it is now recognized that the program provides significant direct support in accomplishing DEA's strategic goals as well as enhancing State and local drug law enforcement expertise. Since 1984, there has been an increase of 383 percent in the number of Class I and II arrests, and an increase of 810 percent and 450 percent in cocaine and heroin removals, respectively. In addition to these direct contributions to the Federal drug strategy, the program also makes significant indirect contributions through the development of intelligence and generation of "gateway" cases (those that become a springboard for higher level investigations).

DEA has a responsibility to facilitate maximum contribution from State and local governments. As an example of the contributions by State and local task forces, in 1989 the New York Joint Task Force (NYJTF) developed information through an informant that resulted in a seizure of $19.7 million in U.S. currency and significant intelligence information regarding the Cali Cartel. This is the largest seizure of U.S. currency in DEA history. Other specific contributions by the State and local task forces include the largest single crack seizure ever in the Chicago area and possibly in the entire midwest. Over six pounds of crack was seized, valued at almost three million dollars, destined for distribution in the midwest. In another task force case, the DEA/Chicago Police Department Task Force seized 84 pounds of cocaine, one ounce of brown heroin, 1,827 grams of marijuana and $23,095.00 in U.S. currency. The two suspects arrested in this case are known to be associated with the Jaime Herrera narcotic organization, one of the largest trafficking groups in Mexico.

Workload statistics for the State and Local Task Force program are as follows:

State & Local Task Forces	1988 Actual	1989 Actual	1990 Estimate	1991 Estimate
Investigative Workhours by Case Class				
Class I	216,240	245,345	250,077	272,789
Class II	60,817	60,770	61,942	67,568
Class III	45,470	47,676	48,595	53,009
Class IV	6,206	10,342	10,541	11,499
Subtotal	328,733	364,133	371,156	404,864
General File Workhours	22,465	24,750	25,227	27,519
Total	351,198	388,883	396,383	432,383
Arrests by Case Class				
Class I	2,634	2,794	2,848	3,107
Class II	1,213	1,352	1,378	1,503
Class III	1,483	1,627	1,658	1,809
Class IV	872	977	996	1,086
Total	6,202	6,750	6,880	7,505
Convictions				
Federal Court	1,434	1,854	1,890	2,061
State Court	1,497	1,937	1,974	2,154

Continued	1988 Actual	1989 Actual	1990 Estimate	1991 Estimate
Drugs Removed				
Heroin (Kilo)	167	99	101	110
Cocaine (Kilo)	5,744	5,655	5,764	6,288
Cannabis (Kilo)	13,338	40,929	41,718	45,507
Dangerous Drugs (000 D.U.)	26,292	13,331	13,588	14,822
Asset Seizures ($000)	$77,858	$134,726	$137,324	$149,796
Task Forces Supported	44	44	51	60
Officers Assigned	535	535	595	739

* DEA's statistical databases are continually revised. Figures shown represent the most accurate statistics available, and may differ from those previously reported.

Program Change:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and local task forces............	266	265	$33,070	311	287	$41,894	45	22	$8,824

DEA requests 45 positions, (36 Agent and 9 support), 22 workyears, and $8,824,000 to fund nine provisional State and local task forces. Of this amount, a total of $4,390,000 is included as special funding to purchase cars, radios and other equipment to support the participating State and local officers. Although demands by States and localities for additional task forces are substantially greater, DEA will continue to restrict the growth of the task force program by using the provisional concept to ensure that the program is well managed and the resources devoted to it are used effectively. The continued success of the program requires that it only expand as task forces demonstrate their effectiveness.

DEA has a responsibility to facilitate a maximum contribution from State and local governments and to elevate their efforts toward multi-jurisdictional investigations. DEA's State and local task forces play a major role in engendering intergovernmental cooperation by facilitating the immobilization of major trafficking organizations at all levels. The combined manpower, experience, and intelligence networks of the 535 police officers participating in DEA task forces greatly influence DEA's ability to operate effectively in an environment where it is outmanned by its opponent. For these reasons, DEA remains committed to the continuation of the State and Local Task Force program.

Activity: Investigative Support	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence......	549	498	$42,739	549	546	$46,022	634	589	$53,145	85	43	$7,123
DEA lab. services.	247	236	$20,220	247	246	$19,567	285	265	$22,854	38	19	$3,287
DEA training......	72	71	$14,375	72	71	$14,970	94	82	$16,883	22	11	$1,913
Research, engin. & tech. operations	320	315	$41,683	320	315	$40,456	341	325	$79,940	21	10	$39,484
ADP & telecommunications.....	109	104	$63,220	109	104	$63,739	96	87	$64,689	-13	-17	$950
Records Mgt......	70	66	$4,907	70	66	$5,241	70	66	$5,241	...	...	...
	1,367	1,290	$187,144	1,367	1,348	$189,995	1,520	1,414	$242,752	153	66	$52,757

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence.......	549	498	$42,739	549	546	$46,022	634	589	$53,145	85	43	$7,123

Long-Range Goal: Identify, develop, and exploit information and intelligence necessary to enhance effectiveness of drug law enforcement.

Major Objectives:

o Provide actionable, tactical intelligence on the current or imminent location and movement of particular targets which require a near-term law enforcement response to effect arrest and seizure.

- Collect, process, analyze, and disseminate drug-related intelligence in support of active investigations to aid and further the investigative process.

- Provide case support on complex money laundering investigations and develop intelligence profiles and trend analyses to target enforcement efforts on domestic and international monetary flow and money laundering operations.

- Provide accurate, comprehensive, and timely strategic intelligence on drug trafficking patterns and trends for use by management decision makers and policy planners.

Base Program Description: DEA's Intelligence program is comprised of four components: financial, operational, and strategic intelligence, and the El Paso Intelligence Center (EPIC). Each serves as a vital investigative support function.

The financial intelligence program focuses on the fiduciary aspects of the narcotics traffic. The primary goal of the program is to immobilize major trafficking organizations by depriving drug traffickers of drug-related assets. The financial intelligence program supports the enforcement effort by providing direct case support in the identification of assets and the development of financial conspiracy investigations. Further, this program provides strategic support by uncovering new money laundering methods, identifying participating organizations and individuals, and tracking the worldwide flow of laundered funds.

The operational intelligence program exploits information available to DEA in direct support of active drug investigations. Such support is provided through the collection, collation, and analysis of the vast (and often conflicting) available information that links events and individuals involved in drug trafficking. These data are used not only in developing investigative leads but also in assisting case agents and prosecutors in the management, organization, and the graphic portrayal of analyzed information during grand jury proceedings and trials.

Strategic intelligence develops a comprehensive picture of drug trafficking patterns, availability and consumption trends, and long-range supply reduction assessments. These efforts are a critical tool in assisting investigative agencies in managing their enforcement efforts. DEA is a leading agency for drug intelligence in large part due to its effectiveness at this function.

EPIC is a multi-agency facility charged with the responsibility of providing the law enforcement community with all-source tactical intelligence pertaining primarily to the interdiction of drugs, weapons, and aliens. Although managed by DEA, EPIC provides support and assistance to all Federal, State, and local agencies engaged in law enforcement. Currently, there are ten Federal agencies in addition to DEA that are on-site participants at EPIC.

Accomplishments and Workload:

- Special Field Intelligence Program (SFIP): SFIPs are probes that gather strategic, operational, and tactical intelligence to support DEA investigations, programs, special operations, and the management of resources. Approximately 80 percent of the 43 SFIPs achieved their intelligence collection objectives in 1989. This program played a significant role in the development of 207 confidential informants. As a by-product of the program, over 148 investigations were initiated which resulted in 508 arrests. Furtnermore, SFIP-generated intelligence supported seizures of 20,056 kilograms of cocaine, 13.5 kilograms of opium, 85,161 kilograms of marijuana, 12,584 kilograms of hashish, 30 kilograms of methamphetamine powder, 2.4 million dosage units of the amphetamine Captagon, $3,915,621 in cash and $503,899 in property, along with 28 vessels and eight aircraft. In addition, SFIP's were instrumental in the destruction of 10 clandestine laboratories and 8,254,359 cannabis plants.

- Financial: The goal of the financial intelligence program is to immobilize drug traffickers by hampering the ability of organizations to launder money domestically and abroad. Some of DEA's 1989 accomplishments include participation in an information exchange program with domestic bank regulatory agencies to keep drug violators from acquiring interests in U.S. financial institutions. The financial intelligence program supported major narcotics investigations conducted by DEA field offices through the identification of assets subject to seizure under current U.S. laws. In one prominent case, an organization responsible for laundering $1.2 billion in a two-year period was identified. This was the largest money laundering operation in DEA's history. The investigation resulted in the immobilization of the organization and seizure of over $100 million in assets. In addition, a bank in Panama was convicted of violating U.S. money laundering statutes. This conviction resulted in the forfeiture of $5 million in substitute assets and is the first action of its kind. Another major investigation resulted in the seizure of about $20 million in cocaine profits and the identification of a money conduit which operated from New York through Texas into Mexico and is headed by a major Colombian cartel member. Analysis of extensive bank records and other support was provided in still another international money laundering case, resulting in over $18 million in asset seizures and confiscation of about 100 kilograms of heroin/morphine base.

- Operational: Operational intelligence provided analytical support to major drug investigations and programs. Examples from 1989's workload appear below:

  Intelligence support was provided to investigations targeting a Southeast Asian marijuana organization which smuggled several hundred tons of marijuana into the United States for each of the last seven years. The result was the indictment of 250 defendants, seizures of $50 million, 100 tons of marijuana and ten vessels, and identification of 50 other prospective defendants, as well as forfeitable assets with an estimated value of one-half billion dollars.

  Intelligence analysts performed extensive file research on the principal members of the Medellin Cartel. This resulted in the expansion of active investigations, indictments, drug seizures, and sources of information. This intelligence formed the basis of information for an ongoing SEO which is credited thus far with seizures of 78,000 kilograms of cocaine, 1,398,257 gallons of precursor chemicals, 17 tons of marijuana, and 97 laboratories.

- Strategic: In 1989 this program continued to provide geographic expertise, assessments of drug cultivation production, smuggling trends, and foreign and domestic drug availability trends to Federal, State, local and foreign authorities. Recurring and special reports were published including Intelligence Trends, Opium Caravan Report, Drug Threat-The United States/Canada Border, Illicit Drug Situation in Pakistan and Afghanistan, Southeast Asian Heroin Seizures, Cocaine: A Threat to Western Europe, Puerto Rico/Caribbean Smuggling Trends, D-Methamphetamine HCL (Ice), and The Drug Situation in Washington, D.C. Country Profiles on South Asia, Turkey, Japan, Taiwan, Hong Kong, South Korea, and Peoples Republic of China were updated. Support was provided to Operation SNOWCAP though the Targeting Analysis and Retrieval System (TARS), a computerized data system to support tactical and strategic operations in Latin America. Analytical support also was provided for Operation SNOWCAP. Special intelligence reports were undertaken and completed on each of the following countries: Paraguay, Bolivia, Peru, Colombia, and Mexico. DEA chaired the National Narcotics Intelligence Committee (NNICC) in the development of the annual drug intelligence report. Special reports regarding drug trafficking in the Middle East and Africa were also developed. Support was provided for the President's annual foreign aid certification process, as required by the Hawkins-Gilman-Chiles Act and the Anti-Drug Abuse Act of 1988. The strategic intelligence program managed and expanded the Domestic Monitor Program, Heroin Signature Program, and the Marijuana Assessment Program in addition to conducting a feasibility study for a Marijuana Signature Program.

- o EPIC: EPIC provided 24-hour, 7-days-a-week support for drug law enforcement and interdiction operations at the Federal, State, and local levels. During 1989, 569,347 information queries were made by participating agencies. EPIC lookouts were instrumental in seizures of 4.2 kilograms of heroin, 14,125 kilograms of cocaine, 78,680 kilograms of marijuana, 41 kilograms of liquid hashish, 21 aircraft, 62 vessels, nine vehicles, and $59,989. The foregoing seizure figures reflect only those seizures which were the result of active lookouts. EPIC provided continuous operational and analytical support to several multi-agency efforts to locate and destroy clandestine cocaine laboratories in South American source countries; to multi-agency efforts targeting drug interdiction along the Southwest border; and to interdiction efforts across the interstate and state highway systems. In assisting the highly successful United States Marshals Service Warrant Apprehension Narcotics Team II, EPIC researched over 4,000 drug fugitive cases, which led to locating/apprehending 220 Federal drug fugitives.

Program Change:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence............................	549	546	$46,022	634	589	$53,145	85	43	$7,123

DEA requests a total of 85 positions (57 intelligence analysts, 12 professional/administrative, and 16 support), 43 workyears, and $7,123,000, including $2,450,000 in program funding to enhance its drug intelligence program. This enhancement directly supports DEA's strategic initiative to target and immobilize major trafficking organizations by enhancing DEA's field intelligence and financial investigative capabilities. There are two distinct components of this initiative: correcting the shortfall between Agents and intelligence analysts, which was initiated in the 1990 budget request; and completion of the El Paso Intelligence Center as a tactical, all-source intelligence center.

Operational Intelligence

DEA requests 68 positions (54 intelligence analysts and 14 support), 34 workyears, and $4,367,000, including $500,000 in program funding, to enhance its financial and investigative intelligence capabilities. A significant shortfall exists between the number of investigators involved in DEA cases and the number of operational intelligence analysts available to support their activities. Because of the sizeable enhancement that would be required to correct this inequity in one year, DEA proposed a phased enhancement beginning with the 1990 budget. This request represents the second part of the resources required to provide adequate intelligence support to an anticipated 4,000 Federal, state, and local investigative personnel in 1991.

The positions requested will be assigned to Headquarters' drug and financial intelligence units, domestic field intelligence units, and foreign offices. Headquarters-based positions will ensure that data from centralized records is made available to the field, and will support Headquarters-based Special Enforcement Operations/Programs and intelligence gathering programs, in addition to providing on-site support to major field investigations. Analysts assigned to domestic and foreign field offices will be in place to provide direct, on-site case support and intelligence collection. Foreign analysts will be assigned to newly opened DEA offices or existing overseas offices that currently have no, or inadequate, intelligence support.

In support of these positions, $500,000 in program funding is requested for increased utilization of Dun and Bradstreet financial reporting services. This is an essential resource that provides up-to-date financial records, business locations, business associates, and business histories. It is an extremely useful tool for identifying associates and assets.

EPIC

DEA requests 17 positions (3 intelligence analysts and 14 support), 9 workyears, and $2,756,000, including $1,950,000 in program funding, to make program improvements at EPIC. These resources are principally intended for EPIC's Special Operations program and will fund the following activities: radio communication monitoring, APOLLO completion, Joint Maritime Information Elements (JMIE) installation, and communications center staffing. As part of the 1989 budget process, DEA received a substantial enhancement for EPIC. Minimal additional increases are required to complete staffing of certain key programs and to fund several new requirements which have since surfaced. These include:

- Radio Communication Monitoring: EPIC's Special Operations program is responsible for integrating data from EPIC's Watch and Analysis sections. One of the most successful of the Special Operations programs conducted 48,830 intercepts, contributing to the interdiction of 46 vessels, 13 aircraft, 80.8 kilograms of marijuana, and 33.1 kilograms of cocaine during the first three quarters of 1989. Despite their successes, these Special Operations programs face a base shortfall, particularly for support staff and equipment. For example, no positions are dedicated to translating the more than 100 transcripts of trafficker communications which are received daily; there are inadequate professional analytical and support positions; only five radio operators are available for monitoring intercepted communications; and their is no system for monitoring short-range trafficker transmissions along the immediate Southwest border area is in place.

Three intelligence analysts, one electronics technician, two clericals and $581,000 are requested to expand current successful monitoring operations. In addition, six systems operators and $250,000 for equipment are requested to establish a short-range radio monitoring program along the Southwest border in support of Operation ALLIANCE. In addition to providing 24 hour, seven days a week staffing for the program, this request will allow for installation of UHF/VHF equipment at 12 fixed Southwest border sites as well as a mobile monitoring vehicle.

- APOLLO Computer System: The FBI, which funded the initial development of the APOLLO system, cannot support completion of the final two phases. APOLLO has become the principal computer system for EPIC's Watch but still requires substantial work to reach planned effectiveness.

  $1.4 million is required to complete the final two phases of development of the APOLLO system. This includes contract development and software purchase totalling $600,000 and $800,000 for additional terminals.

- Joint Maritime Information Elements (JMIE): Although Coast Guard completion of the JMIE system (beyond the current implementation test phase, in which EPIC is a full participant) has been delayed, current plans call for participating agencies to begin paying their share of the system in December 1990. This system has become integral to EPIC operations.

  $300,000 is required for charges EPIC will incur for participation in the JMIE system. Of this amount, approximately $90,000 is needed to purchase three terminals and the remaining $210,000 is needed to reimburse the Coast Guard for EPIC's share of system costs.

- Communications Center: EPIC currently has 11 equipment operators staffing a communications center which operates 24-hours a day, seven days a week and processed a traffic volume of 559,168 messages in the first three quarters of 1989. This center is the focal point for all incoming and outgoing hard copy message traffic between EPIC and participating agencies. Because EPIC is a multi-agency facility, it must send and receive messages over approximately six different communications circuits, requiring the operators to not only be proficient in operating all circuits, but also to re-enter all outgoing messages into each individual circuit. EPIC has used double shifts and overtime to meet demand; however, this has slowed the response time to queries and delayed entry of incoming information.

Five additional equipment operators and $225,000 are requested for EPIC's Communication Center. These positions will allow EPIC to increase communications staffing on all shifts, including weekends and holidays, to ensure timely response to the increasing message traffic.

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
DEA Laboratory Services	247	236	$20,220	247	246	$19,567	285	265	$22,854	38	19	$3,287

Long-Range Goal: Provide required laboratory support to ensure maximum achievement of enforcement, intelligence, and diversion control activities.

Major Objectives:

- Provide timely analysis of DEA, FBI, and other Federal agency drug evidence.
- Provide expert testimony in court cases.
- Provide field assistance (clandestine laboratory investigations and seizures, and crime scene searches for trace drug evidence) to DEA and FBI special agents.
- Assist DEA and the FBI in the development of conspiracy cases, monitoring of foreign drug distribution patterns, determination of origin of controlled substances by conducting in-depth signature analyses and ballistics examinations of DEA and FBI evidence (including tablets, capsules, and papers).
- Assist other Federal agencies in forensic drug examinations and improve forensic drug capabilities of law enforcement agencies worldwide through training and interagency conferences.
- Conduct research on new analytical techniques and monitor the emergence of new drugs of abuse.

Base Program Description: This program provides laboratory support services for the enforcement, intelligence, and diversion control activities of DEA. Enforcement activities are supported by the timely analysis of drug evidence by forensic chemists and presentation of expert testimony in court; by providing field assistance to agents on clandestine laboratory investigations and crime scene searches for trace drug evidence; and by conducting ballistics, in-depth and signature analysis for the development of conspiracy cases. Intelligence activities are supported through the heroin signature analyses which shows the origin of the controlled substance and highlights foreign drug distribution patterns. Intelligence activities are also supported through the signature analyses of the Domestic Monitor Program which helps monitor domestic drug distribution patterns and price/purity data at the retail level. Diversion control activities are supported through ballistics examinations (comparison of microscopic tool markings with those of authentic/reference material) of tablets, capsules and papers which provide information on illegal distribution of licitly produced drugs, identifying possible illegal activity by Controlled Substance Act registrants. This program also provides forensic drug laboratory support to the FBI and the Organized Crime Drug Enforcement Task Forces, which have concurrent jurisdiction for the enforcement of Federal drug laws, and provides support to other Federal law enforcement agencies that do not have their own forensic drug examination capability or that require the special expertise of DEA forensic scientists.

Accomplishments and Workload: DEA laboratories analyzed 34,771 exhibits of evidence during 1989, of which 4,044 were for the FBI and 1,806 were from other Federal efforts. DEA chemists testified in 1,472 trials, an increase of 21 percent over 1988, and conducted 1,082 ballistics examinations, an increase of 3.6 percent over the previous year. DEA also identified 26 new illegal prototypes of tablets, 12 new types of LSD blotter paper that have entered the illicit drug market and added 256 logos to the New Packaging Logo File in the ballistics data base.

DEA laboratories provided field assistance in clandestine laboratory investigations and vacuum searches for drug evidence on 292 occasions, an increase of 10.5 percent above the 266 in 1988. DEA chemists conducted 793 Heroin Signature analyses and developed or presented 17 new methods for the identification or analysis of drugs to the international forensic community. Work continued in 1989 on the identification of new controlled substance analogues.

Projected workloads for the DEA Laboratory Services program are as follows:

Item	1988 Actual	1989 Actual	1990 Estimate	1991 Estimate
Evidence Analyses				
Number of Exhibits	35,005	34,771	35,000	41,000
Court Appearances	1,216	1,472	1,500	1,600
Field Assistance Requests*	266	292	344	405
Ballistics Examinations**	1,048	1,082	1,161	1,161
Ballistics Reference Exams	197	134	187	187
Heroin Signature Analyses	1,058	793	800	950

* Field Assistance includes involvement by chemists in clandestine laboratory investigations and vacuum searches for controlled substances.

** Ballistics examinations include analysis of dye markings and other characteristics of tablets, capsules, blotter paper, etc.

Program Change:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
DEA Laboratory Services.....	247	246	$19,567	285	265	$22,854	38	19	$3,287

DEA requests an increase of 38 positions (20 chemists, 1 diversion investigator, and 17 support), 19 workyears, and $3,287,000 to support the Heroin Signature and the Laboratory Standards programs, to provide requisite technical assistance for evidence processing and safety monitoring, to provide support to the hazardous waste disposal program, and to support the additional Special Agents requested in this budget request.

Heroin Signature Program

DEA requires 3 positions (1 chemist and 2 technicians) and $209,000 to support the Heroin Signature Program. Identification of the source of a drug supply is critical to formulating policy decisions regarding deployment of drug control resources. DEA manages a program designed for collection of such information using data obtained through the analysis of heroin samples purchased by DEA's enforcement offices. DEA laboratories are responsible for analyzing these samples in order to determine price, purity, and source of supply.

Laboratory Standards

One chemist position, one support position and $167,000 will be required to implement the centralized Standards Program at the Special Testing and Research laboratory. All qualitative and quantitative analyses of controlled substances performed in DEA laboratories require direct comparison with a reliable standard. The laboratory system Quality Assurance Guidelines require laboratory system personnel to certify and identify the purity of each batch of standards; however, the Quality Assurance Program cited the authenticity of current laboratory standards as a problem.

Evidence and Safety Technicians

DEA requires one evidence technician and $42,000 to be assigned to the Mid-Atlantic laboratory to properly process evidence received by the laboratory.

Submissions to the DEA laboratory system have increased from 29,000 in 1979 to 35,000 in 1989. The average laboratory processes 5,000 to 6,000 exhibits per year. As a result of this increase in workload, evidence handling and safety concerns have become more critical.

DEA also requires eight safety technicians and $335,000, with one technician assigned to each of the eight DEA laboratories, to ensure that adequate safety precautions are maintained at all times. Besides enhancing employee safety and minimizing DEA liability in the areas of on-the-job injury and illness, assigning these duties to a full-time professional in occupational health and safety will free up the chemists to devote more time to the analysis of drug evidence. In addition, presence of this expertise will minimize the necessity for early disability retirements by laboratory employees through a program of hazard prevention.

Hazardous Waste Disposal

The two positions and $107,000 are requested will provide one diversion investigator and one hazardous waste specialist. The hazardous waste specialist will complement the existing specialist in dealing with the anticipated increase in clandestine laboratory seizures made by DEA and the rising public health and environmental issues associated with these seizures. The diversion investigator will share duties with the current diversion investigator, and will be responsible for conducting semi-annual site inspections and 10-15 unannounced inspections per year of the hazardous waste contractors.

The hazardous waste disposal program maintains contact with the Environmental Protection Agency (EPA) on public health and environmental issues. This program acquired additional responsibilities when Public Law 100-690 was enacted in 1988, requiring DEA and EPA to form a joint task force to protect public health and the environment with respect to illegal drug laboratories. DEA has a mandate to enforce the Controlled Substance Act, and a moral and legal obligation to protect public health and the environment. This requires constant monitoring of hazardous waste, contractors, and destruction sites.

During 1988, DEA established a new unit to address its hazardous waste disposal needs and is now in the process of awarding 12 separate contracts to qualified private hazardous waste disposal companies throughout the United States to safely and legally dispose of all hazardous waste generated during DEA enforcement activities. DEA must monitor these private disposal companies to provide tracking and accountability of the disposal of hazardous waste material. Such monitoring includes conducting semi-annual announced and approximately 10 to 15 unannounced on-site inspections of each hazardous waste company's financial records related to DEA transactions. It also includes entering all of the hazardous wastes listed on each manifest into an automated data system. This will provide DEA with readily retrievable information regarding the status of each hazardous waste from beginning to end. DEA anticipates approximately 4,000 to 5,000 entries in 1991.

Support for the 1991 Enhancement

DEA's 1991 enhancement request includes 384 investigative Special Agent positions. (This does not include the Technical Agents, Firearms Instructors, or 119 Agents requested for OCDE.) DEA is requesting that its modular staffing for chemists and derivative clerical support be applied. The current DEA staffing module provides one chemist for every 19 agents and one clerical support position for every five chemists. Applying DEA's staffing module to the number of agent positions destined for field enforcement operations yields a proportionate increase of 23 chemists. Applying the clerical staffing module yields an additional five support positions. However, because of the safety technicians requested above, an additional five chemist workyears will be available for evidence analysis. Therefore, DEA only requires an additional 22 positions (18 chemists and four clerical) and $2,427,000 to support the Special Agent enhancements requested in this budget.

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
DEA Training.......	72	71	$14,375	72	71	$14,970	94	82	$16,883	22	11	$1,913

Long-Range Goal: Establish, maintain, and enhance the mission-related skills of DEA personnel to carry out their work responsibilities.

Major Objectives:

- Provide high quality entry-level training for all Special Agents, diversion investigators, intelligence analysts, and chemists.
- Provide advanced and specialized in-service training (including clandestine laboratory enforcement and asset removal training) to investigative and other agency personnel in order to be fully prepared for duty.
- Provide supervisory, mid-level management, and executive development training for appropriate agency personnel.
- Provide foreign language fluency training for all DEA personnel who are to be assigned overseas or in border offices in need of such training.
- Provide firearms training and appropriate weapons and supplies to DEA Special Agents.

Base Program Description: DEA's training center and programs currently are collocated with those of the Federal Bureau of Investigation at the FBI Academy in Quantico, Virginia. The DEA training program focuses on providing the DEA workforce with the skills and knowledge necessary to fulfill DEA's mission. DEA's specialized training courses include entry level recruit training; advanced and in-service specialty training such as marine law enforcement, clandestine laboratory safety, terrorism awareness, and intelligence collection and analysis; management and supervisory training; and foreign language training.

Accomplishments and Workload: Accomplishments of the DEA Training program are presented in the following table:

General Training	1988 Actual	1989 Actual	1990 Estimate	1991 Estimate
Basic Agent				
Number of Classes	8	4	8	15*
Number of Students	289	227	310	651*
Basic Diversion Invest.				
Number of Classes	2	3	1	2
Number of Students	66	82	40	68
Advanced Agent				
Number of Classes	8	7	0**	0
Number of Students	222	243	0	0
Intelligence Analyst				
Number of Classes	1	1	4	4
Number of Students	26	24	113	83
Forensic Chemist				
Number of Classes	3	4	4	4
Number of Students	54	69	72	72

*This includes all new Agent hires (including OCDE) and training spaces due to attrition. There is an assumption that the training facility will be able to accommodate this workload during the 1991 fiscal year. This number differs from the tables presented in the President's Budget Appendix.

** The Advanced Agent training course, beginning in 1990, is incorporated into the Basic Agent curriculum and other training courses.

Specialized DEA Training	1988 Actual	1989 Actual	1990 Estimate	1991 Estimate
Asset Removal Schools				
Number of Classes	4	12	4	7
Number of Students	197	569	140	335
Clandestine Laboratory				
Number of Classes	14	9	15	15
Number of Students	480	268	450	450
Firearms Instructor				
Number of Classes	2	3	3	3
Number of Students	67	50	90	90
Foreign Language Training				
Number of Classes	...	...	...	...
Number of Students	197	131	400	400
Other Specialized Training***				
Number of Classes	14	16	25	26
Number of Students	347	368	658	703
Other Training				
Professional/Administrative, Technical/Clerical, & Other				
Number of Students	774	393	700	700
Other Core Training				
Number of Students	334	269	300	300

***Other Specialized Training includes: Method of Instruction; Individual Terrorism Awareness; Supervisory; M204; Executive Development; and Executive Management Schools.

DEA also conducted international drug enforcement training involving law enforcement personnel from 105 countries in 1989. The countries represented include Greece, Malaysia, Mexico, Nigeria, Pakistan, Peru, and Thailand. A total of 26,550 foreign officers and officials have been trained by DEA since the program's inception in 1969.

Program Change:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
DEA Training......................	72	71	$14,970	94	82	$16,883	22	11	$1,913

DEA requests 22 positions (14 Agent and 8 support), 11 workyears, and $1,913,000 to support the administration of DEA's training program and to add fulltime firearms instructors to the 14 field divisions that currently lack them.

Support Positions

DEA requests 8 support positions, 4 workyears, and $335,000 to provide administrative and clerical positions to enhance DEA's training program.

DEA's training program requires support personnel to process training documents and training-related vouchers, order and maintain supply inventories, type training documents, procure equipment and services, and perform other routine functions. Currently, the training program has only 27 such permanent professional/administrative and technical/clerical positions, including 11 secretaries. The training workload would completely overwhelm the training program if it were to operate with just these permanent positions.

The individuals filling these positions will perform the following functions:

- Process travel vouchers (which numbered 6,040 in 1988—a 92 percent increase from 1987), monitor undelivered orders, issue control numbers, approve invoices for payment, and perform related duties.
- Receive supplies, prepare receiving reports, store and deliver supplies, deliver mail, order all GSA supplies, perform property management and control functions, stock instructional materials, and arrange for shipment of training materials to DEA offices worldwide.
- Perform procurement functions, assisting the purchasing Agent, whose workload has more than doubled since 1986.
- Operate the crypto-room, assist the procurement clerk, assist the basic training program, and assist the practical applications training program.

- Assist in the administrative duties of DEA training and in its tactical training functions.
- Assist the firearms training program, the basic training program, and the field training program.

Firearms Training Program

DEA requests 14 full-time firearms instructors, 7 workyears, and $1,578,000 to provide full-time firearms instructors to those Divisions that lack them. These full time firearms training instructors will ensure that each Division has one Agent, without enforcement responsibilities, dedicated to and responsible for the firearms training program. This Agent will be fully trained in all aspects of the program, including tactical training, certification testing, weapons inspection and repair, firearms safety, DEA firearms policy, and methods of instruction.

DEA policy mandates strict firearms regulations. These policies, developed over time to ensure that shooting proficiency is adequately maintained, include the minimum number of rounds of ammunition that each Agent must fire per year per weapon, the number of times per year they are to be tested for firearms proficiency, and other basic firearms procedures. The workload this engenders demands significant levels of program support for oversight. DEA policy dictates that all DEA Special Agents must participate in quarterly firearms proficiency testing and semiannual certification testing for each type of weapon used (each Agent may have up to three weapons). Certification procedures require testing on seven independent firing courses. Fully automatic submachine guns, which are now being issued to field Divisions, require qualification every 60 days. In addition, all Special Agents routinely participate in judgmental shooting and simulated combat course tactical training to prepare them for emergency situations. All certifications and proficiency tests must be conducted in the presence of a trained DEA firearms instructor.

DEA's current firearms training program is inadequate in a number of areas, each of which must be remedied. Specific concerns include the following:

- Drug related violence necessitates increased tactical training as Agents are confronted with a variety of situations. In response, each Division has assigned firearms training duties to Agents as a collateral duty; however, on a part-time basis the Agents lack the time to develop and implement challenging tactical training courses in addition to scheduling range time and qualifications exercises.

- o Experienced instructors are the key to good firearms instruction. Given the field enforcement responsibilities of current part-time instructors, and constant advances in firearms technology, such specialized expertise is difficult to cultivate and maintain.

- o Because DEA does not have its own ranges, a major time-consuming activity for all instructors is obtaining range time at a local firing range for qualifications and tactical training exercises. Current part-time firearms instructors lack the time to maintain continuous liaison with State and local enforcement agencies to ensure that ranges are always available when needed.

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Research Engineering & Technical Ops...	320	315	$41,683	320	315	$40,456	341	325	$79,940	21	10	$39,484

Long-Range Goal: Support DEA enforcement and intelligence programs through research, development, procurement, maintenance, and management of technical investigative equipment, and provide direct technical assistance to ensure maximum achievement of the agency's mission.

Major Objectives:

- o Provide high quality technical/investigative support, radio communications, and polygraph support that will lead to increased productivity and effectiveness in investigations. Provide technical support for an additional 150 major investigations and provide Digital Voice Privacy radio equipment for three additional Divisions.

- o Increase the efficiency of Agency field operations through the development of new or improved technical investigative devices, and the application of scientific research. In 1991, emphasis will be placed on satellite communications and the security of Special Agents in remote areas.

- o Provide scientific and technological information, training, coordination, and liaison services for DEA and the national and international drug law enforcement and intelligence communities.

- Increase the productivity and efficiency of DEA's operations by providing advanced scientific instrumentation, electronic laboratory support, testing equipment and services, and specialized microprocessor engineering support.

- Acquire, maintain, and operate an efficient aircraft fleet with sufficient capabilities to meet all operational requirements.

- Provide aircraft and aviation-trained Special Agents for domestic investigative support and foreign drug intelligence gathering and operational support.

Base Program Description: The Research, Engineering and Technical Operations program addresses the following major program areas:

- Research and Engineering Program: This program element provides new technology and scientific support to the operational elements of DEA.

- Technical Operations Program: This program element makes optimal use of DEA's technical equipment, aircraft and personnel resources in a manner that allows DEA investigative personnel to maximize their efforts, enhance their personal safety, and accomplish the agency's mission.

- Aviation Program: The Aviation Program is designed to increase the effectiveness of DEA's enforcement effort by offering speed, mobility, vantage and other qualities unique to aircraft operations. Such qualities permit the successful pursuit of drug investigations not possible with surface vehicles.

Accomplishments and Workload:

Technical Operations:

A major managerial accomplishment in 1989 was the consolidation of all programs within DEA that provide direct technical, research and development support to DEA investigations. This reorganization, approved by the Attorney General, led to the formation of the Technical Operations Section. The new section, comprising the Radio Communications, Investigative Equipment, and Technology Development Units, provides a coordinated and effective response in support of DEA operations. The technical training function has also been placed under the new section to ensure that basic Agents, advanced Agents, technical Agents, technicians, State and local personnel, and foreign officials receive the necessary instruction to properly and effectively utilize a wide range of technical support techniques.

In addition, the Technical Operations staff has been relocated to the same engineering facility occupied by the FBI's Engineering Section. This move will further DEA's efforts to produce improved technology while saving Federal manpower and monetary resources.

During 1989, DEA personnel in the Technical Operations Program participated in or chaired numerous committees and working groups consisting of Federal law enforcement and U.S. Military managers and technical experts to assure a more unified effort against drug trafficking.

Research and Engineering:

Workload statistics and projections for the Research and Engineering program are presented in the following table:

Item	1988 Actual	1989 Actual	1990 Estimate	199 Estimate
1. Research & Analytical Studies				
a. Demand	25	25	30	30
b. Planned	12	12	15	23
2. Technology Development Projects				
a. Demand	50	50	55	60
b. Planned	21	30	33	41

DEA is working directly with the Defense Advanced Research Project Agency (DARPA) to develop strategies and technologies to enhance drug law enforcement's capabilities. DARPA has already committed over $5,000,000 in joint projects to the anti-drug effort.

Enhanced point-to-point satellite voice and data communications are being developed to provide secure communications throughout the world. This system is being designed in a completely portable configuration to ensure ease of transport and use. Enhanced tracking capabilities are under development to provide real-time satellite tracking utilizing miniature transmitters. This system will be extremely beneficial for locating Agents assigned to remote areas, and equally important, to locate Agents in the event they are abducted by traffickers and terrorists.

In conjunction with EPIC and other law enforcement agencies, the Technical Operations program has initiated an enhanced Direction Finding (DF) program to identify and locate "motherships" and aircraft illegally transporting narcotics, dangerous drugs, and precursor products. This information is relayed by EPIC to DEA, Coast Guard, U.S. Customs and military units for interdiction of these vessels and aircraft. Crop identification programs are also underway to enable location and identification of illicit cannabis, heroin and coca growing areas by satellite. The growing areas will be pinpointed to within a few hundred feet.

In 1988-89, new Title III monitoring systems were provided to selected DEA offices for test and acceptance. The systems are second generation units developed to ensure better quality and reliability of recordings made as a result of court authorized wire intercepts. If successful, DEA will implement these new monitoring systems in all Divisions.

The Technical Operations program continues to work with the DEA Air Wing to upgrade airborne surveillance forward looking infrared systems to locate clandestine laboratories and growing areas. Included in the upgraded systems is the ability to transmit data directly to EPIC for quick response and dissemination.

Investigative Support and Radio Communications:

Below are the workload statistics and projections for Investigative Support and Radio Communications:

Item	1988 Actual	1989 Actual	1990 Estimate	1991 Estimate
Dialed Number Recorders	1,400	1,650	1,750	1,850
Title III's	79	188	200	250
DVP installed or on order	12	14	17	19
Polygraphs	310	419	430	450

Note: DVP stands for Digital Voice Privacy System which will include interconnection between the FBI and DEA.

Nine DEA Divisions (Los Angeles, San Diego, San Francisco, Seattle, Miami, Atlanta, New York, Boston and Newark) are operational on Voice Privacy (DVP/DES) radio systems. Installation has begun on the Washington, D.C., Philadelphia and Detroit Division systems and will be completed in 1990. The St. Louis, New Orleans and portions of the Chicago Division systems are being ordered for delivery in 1990. The remaining systems procurements for Houston, Dallas, Phoenix and Denver, and systems modifications will be accomplished by 1991 with installation completed in late 1992 or early 1993. In addition, over 1,700 dual band UHF/VHF mobile radios are now installed in DEA vehicles throughout the United States. These DVP/DES radios enable DEA personnel to communicate with other law enforcement agencies such as the FBI, U.S. Customs Service, U.S. Marshals Service, and State and local organizations.

DEA provided major technical support to Operation SNOWCAP. This support included tactical and emergency communications, HF/SSB long range communications, satellite communications and tracking systems, video and audio surveillance systems, monitoring equipment, and manpower support.

Over 400 polygraph examinations were conducted in 1989 on suspects, defendants and cooperating individuals. The polygraph has proven to be an extremely useful tool for the gathering of intelligence and verification of information. The polygraph prevents expenditures on unsubstantiated investigations and returns criminally gained resources to the Federal Government. In one investigation alone, an additional $800,000 in assets were uncovered and seized as a result of a DEA conducted polygraph in a plea bargain arrangement.

Air Wing:

The number of air missions flown by DEA totalled 7,433 in 1989, involving 19,976 aircraft flight hours. This represents an increase of 5 percent in the number of missions flown and an increase of almost 3.6 percent in the number of hours flown over 1988. In addition, there were 789 standby missions in 1989. Standby missions require a pilot and an aircraft to be ready for flight immediately upon notice. The time required for standby missions is not factored into Air Wing statistics.

In 1989, approximately 78 percent of the missions and 74 percent of the flight hours were for domestic purposes; 22 percent of the missions and 26 percent of the flight hours were in support of foreign operations; and 55 percent of the total missions were for surveillance, search and transport. A total of 1,284 arrests were made as a result of utilizing air support. Over 66 percent of the arrests were Class I and II. In 1989, DEA had a 19 percent negative mission rate (or 1,435 unfilled mission requests).

Program Change:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Research, Engineering, & Technical Operations..................	320	315	$40,456	341	325	$79,940	21	10	$39,484

DEA requests 21 positions (10 Technical Special Agent, 6 professional/administrative, and 5 technical/clerical), 10 workyears, and $39,484,000, including $37,878,000 in special funding, to purchase technical and radio equipment, to address a shortfall in existing operating accounts, and to purchase 11 replacement and 2 new aircraft. This request directly supports DEA's strategic planning initiative to expand DEA's investigative support in order to immobilize major traffickers and their trafficking organizations.

Research and Engineering

DEA's research and development program represents less than one half of one percent of DEA's budget and is the second smallest research and development budget of all Federal law enforcement agencies. Individual drug traffickers have more resources at their disposal than DEA has for its entire research and development program.

While DEA's research and development budget is only $1,200,000, the program actually manages funds totalling almost $6,000,000, most of which are supplied by other DEA programs or reimbursable agreements with other agencies. The Defense Advanced Research Project Agency (DARPA) is currently funding 11 of the 40 research and development projects being carried out by DEA's Research and Engineering Program. Regardless of the origin of the funds, DEA personnel must monitor the research and development contracts. The dramatic increase in the number of projects over the past few years has severely impacted the research and development program. The chart below shows the increase in projects and funding compared to the increase in personnel.

An increase of 8 additional support positions and $954,000 are required to keep pace with advancing technology. Of this amount $600,000 will be an increase in the base for research and development projects. A majority of the projects undertaken by DEA are joint projects with other agencies, and they require a minimum contribution to gain valuable technology or software. An additional six professional/administrative positions are required to properly monitor these contracts.

Investigative Support

- **Technical Support**: 10 additional Special Agent/Technical positions, 3 support positions and $1,252,000 will provide a minimally adequate level of technical investigative support in the domestic field offices and overseas. In addition, $1,300,000 is required for additional audio-visual investigative equipment necessary to provide the courts with adequate documentation of drug violations, and to ensure the safety of DEA Agents.

  DEA continues to procure and issue large amounts of technical investigative equipment to its field offices to enhance and support investigations. Much of this equipment, e.g. night video equipment, covertly installed audio and video devices, Title III equipment, etc., requires a specially trained Agent to install the equipment and to ensure that it is used to its maximum potential. Currently, DEA has 60 technical Agents (including ten coming on board in 1990). Four field Divisions have only one Special Agent/technician; several large Resident Offices have no technical Agents currently assigned to them. In these offices without adequate support, managers are forced to choose which of the many ongoing investigations will receive the required technical support. Note that the lack of technical support places the lives of these Agents not receiving the proper technical support in constant jeopardy.

- **Procurement & Installation of Cellular Telephone Intercept Equipment**: A total of $1,000,000 is required for the procurement of T-1 circuitry for 9 domestic Division offices. This budget requests $1,000,000 to satisfy the first half of the total requirement. This circuitry will connect the DEA offices with the local provider of cellular telephone service.

  The popularity of communications via cellular telephone has increased over the past several years. While DEA cannot estimate the total number of traffickers who use this method of communication, cellular telephone seizures have increased reflecting increased use. In 1988, DEA seized and placed into service 135 cellular telephones. In 1989 this number increased approximately 32 percent to 178. Cellular communication currently provides a very secure form of communication for drug traffickers, because the nature of the transmissions make it very difficult for law enforcement to intercept. Cellular communications consist of receiving stations or "cells" located throughout a city or region. Within these cells are numerous variations of the hundreds of frequencies available to transmit and receive cellular telephone calls. As a mobile telephone passes through or nears a cell, the frequencies used to transmit the telephone call automatically change to provide the best signal to the subscriber. Because of this constant changing of frequencies, it is extremely difficult to monitor cellular traffic. Common scanning devices previously used by law enforcement are ineffective.

Improved cellular telephone intercept capabilities are needed to keep pace with the drug traffickers. The method of interception now being examined by the DEA and the FBI provides for the lawful monitoring of cellular telephone conversations at local DEA offices. This will be accomplished by installing a Central Monitoring Facility in each of DEA's domestic Divisions. This monitoring facility will be connected directly to the local cellular telephone company facility by what is known as a T-1 circuit. This method will completely negate the need for a moving surveillance. This intercept equipment will provide each Division with the capability to intercept and monitor cellular conversations directly from the office listening post.

Radio Communications

- o Radio Operating Funds: DEA requests an enhancement of $1,300,000 for radio program operating expenses. This enhancement will maintain a minimally adequate level of service. While the Digital Voice Privacy System is necessary for efficient and effective investigative operations, it is an expensive system to install and maintain. The existing base for radio program operating funds is $5,100,000. This amount has remained constant for the past ten years. The current cost to install and maintain Voice Privacy equipment is $700,000 greater than the current budget base. The anticipated shortfall by 1991 will be $1,300,000.

  In 1986, DEA began installing new dual band Digital Voice Privacy equipment. Presently, over 50 percent of the new mobile radios (over 1,500) being utilized by DEA are dual band. These radios cost twice as much to maintain as the single band radios. Radio control line charges are twice as expensive because of the conditioning required to pass encrypted voice communications. Site lease costs also increase dramatically because of the increase in floor space required to house the equipment. An example of the dramatic increase in costs associated with this new equipment is the installation and removal costs. The previous clear voice system cost approximately $200 to remove and install, whereas, the new Digital Voice Privacy radios cost $450 per radio to remove and install.

- o Overseas Radio Equipment Base: DEA requests $1,800,000 to establish an overseas radio program base. DEA's increased presence overseas requires additional technical support; thus more funds are needed to ensure adequate communication capabilities for our Agents overseas. In order to continue to provide private, safe, and reliable radio communications to support major conspiratorial investigations, sufficient funds must be made available to operate the program. The $1,800,000 would provide a high frequency base station and mobile radios for Agents operating in the country of Peru.

Investigative and enforcement activity continues to increase dramatically overseas as a result of a generally increasing presence by DEA, but particularly as a result of DEA's Special Enforcement Operations/Programs. SEO/Ps require unprecedented technical support in the form of radio communications. There is currently no budget allocation for the procurement of High Frequency/Single Side Band (HF/SSB) and satellite communications equipment required for Agents overseas.

Air Wing

- Replacement Aircraft: DEA has a compelling need to replace 11 aircraft from the current fleet and therefore requests funding in the amount of $12,550,000. The cost of one single engine aircraft is approximately $250,000 and one twin engine aircraft is approximately $2,700,000. The purchase of seven single engine and four twin engine aircraft will cost approximately $12,550,000.

A fully productive aircraft fleet is essential to the success of DEA's most important operations. Both domestically and abroad, aviation support can be the key to the success of an enforcement mission, likewise the lack of support can be the cause of its failure. Air support is required for surveillance, intelligence gathering, undercover operations, and transport.

In 1988, the DEA fleet averaged just over 200 flight hours per year per aircraft—less than four flight hours per aircraft per week—whereas new aircraft averaged over 400 flight hours per year. Much of the difference can be accounted for by the maintenance required for older aircraft. In fact, over 50 percent of DEA's unfilled mission requirements in 1988 were the result of aircraft unavailability and maintenance. Only by replacing unproductive aircraft can DEA hope to make more effective utilization of its air fleet.

Over 30 percent of DEA's single engine fleet requires replacement. In 1987 there were over 650 unfilled domestic missions. This rose to over 1,200 unfilled missions in 1989 (excluding unfilled missions due to weather), an increase of 85 percent over 1987, the majority caused by inoperable or unavailable aircraft. A total of seven single engine aircraft are earmarked for replacement in 1991. Of the seven, five will be 15 years old and two will be 24 years old. Additionally, overhaul costs for these aircraft average $115,000 each, approximately half the cost to replace the aircraft. The replacement of these old and unproductive aircraft is essential to DEA's enforcement mission.
A total of four twin engine aircraft identified for replacement in 1991 have or will have in excess of 5,000 flight hours. Additionally, the aircraft range in age from 12 to 20 years old. Flying time in 1988 for these aircraft were generally less than 100 hours each, compared to 450 hours for a new aircraft. Overhaul costs could approach 50 percent of the replacement cost.

- New Aircraft for Foreign Support: DEA is requesting $8,000,000 for the purchase of two aircraft. DEA's planned expansion of Special Enforcement Operations/Programs (SEO/Ps) in source and transshipment countries requires significantly more aviation resources. The dramatic success of DEA's overseas air support in reconnaissance and intelligence gathering has led to greatly increased demands for such support.

  With the productivity increases associated with the replacement aircraft and the probability of utilizing seized aircraft to supplement foreign operations, DEA is requesting two turboprop aircraft at this time. The turboprops are necessary to transport troops, equipment, and food to remote locations in South America in addition to providing reconnaissance. The turboprops will be placed in South America in support of the planned expansion of Operation SNOWCAP to two additional countries.

- Aircraft Operating Costs: DEA requests an increase of $1,328,000 in operating funds to ensure that seized aircraft placed into service are being maintained adequately. Seized aircraft offer DEA a unique opportunity to supplement the existing air fleet without the initial expense required to purchase new aircraft. However, because they are seized the funds are not in the operating base to maintain them.

  In 1988, DEA seized and placed into service ten aircraft: two single engine, five turboprops, and three helicopters (one single engine, two twin engine). The cost of maintaining and operating these fleet additions needs to be funded.

- Relocation of the Air Wing: DEA requests $10,000,000 to partially fund the relocation of the DEA Aviation facility. The relocation of the DEA Aviation facility was authorized by Congress in the Anti-Drug Abuse Act of 1988 (P.L. 100-690). Although $10,000,000 was authorized, no funds were appropriated at that time. The current lease on the Air Wing facility will expire in May 1991. This, coupled with the inadequate space, security risks, and increased maintenance costs, supports the need to relocate to another facility.

  First, the size of the present maintenance hangar will not allow for an efficient use of manpower. The expansion of contract maintenance from 42 to 82 employees in 1989 will necessitate working two shifts which will increase labor costs, require additional DEA oversight personnel, and reduce the overall effectiveness and efficiency of the maintenance function.

Second, there is a critical shortage of ramp space at the Addison facility. DEA seized 10 aircraft in 1988 for which there is currently no storage space. Consequently, seized aircraft DEA plans to put into service are stored at various locations around the country at a greater cost to DEA. This also prevents DEA from providing the maintenance necessary to prevent deterioration.

Third, the Addison facility is faced with security problems. Measures have already been taken to enhance security to the maximum extent possible. Nonetheless, due to the present location of the Addison facility at a busy public airport, in a congested metropolitan area, it is impossible to provide adequate security for the hanger, ramp and office areas. It is impossible to fence the perimeter or to provide any meaningful security for aircraft left outside the hanger on the ramp.

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
ADP and Telecommunications	109	104	$63,220	109	104	$63,739	96	87	$64,689	-13	-17	$950

Long-Range Goal: Provide high quality and timely automated data processing and telecommunications support sufficient to maximize achievement of the DEA mission.

Major Objectives:

- o Complete the installation of Office Automation equipment in the domestic (Phase III) and overseas offices.
- o Provide DEA agents and intelligence analysts with investigative information in a manner that is faster and more complete than is currently possible.
- o Enhance DEA's investigative efforts through development of a capability of automatically indexing and abstracting investigative reports into various DEA data bases.
- o Develop a prototype Free Text Search Data Base using hardware Free Text Search Data Base machine methods.

- Continue improving the quality of information within existing DEA systems in support of DEA's mission and increase productivity in the delivery of information.

- Ensure the security and integrity of data for all office, data processing, telecommunication and teleprocessing systems.

Base Program Description: This program provides all ADP services to DEA on a worldwide basis. This responsibility includes the maintenance of a modern Data Base Management System (DBMS) with retrieval capability that can establish relationships between various DEA data bases while also significantly improving the ability to query and file within those data bases. In addition to the DBMS, the ADP program is responsible for continually reviewing DEA's system needs in order to identify and develop systems applications that will result in the application of ADP technology to DEA's mission in an effort to maximize the efficiency and effectiveness of the agency. DEA maintains a number of permanent systems, including the following: Narcotics and Dangerous Drugs Information System (NADDIS), Enforcement Management Information System (EMIS), PATHFINDER II, Controlled Substances Act System (CSA), System to Retrieve Information from Drug Evidence (STRIDE), and DEA Accounting System (DEAAS). Additionally, microcomputer applications are frequently developed for specific enforcement operations.

DEA has a requirement to support investigations of illicit drug operations worldwide. The highly transient nature of subjects under investigation requires the support of a Secure Communication System, which includes, for both domestic and foreign offices, secure voice, facsimile, teletypewriter communications, Communication Security (COMSEC) accounts, Law Enforcement Information Access Systems, and paging systems.

Accomplishments and Workload:

- Office Automation: Office Automation (OA) training and installation were completed in the Philadelphia Division, Dallas Division and the El Paso Intelligence Center. The Washington Division was part of the Pilot Project, and installation and training there were previously completed. Installation of OA equipment in the new Lincoln Place Headquarters facility is nearly complete. DEA forwarded a request to DOJ on April 21, 1989, for a Delegation of Procurement Authority (DPA) to procure additional quantities of Office Automation equipment. These additional quantities of equipment are required in order to accommodate the growth of DEA and to provide Office Automation equipment to overseas DEA offices.

- Systems Development: Completed a system to support Mexican Marijuana Eradication program. Provided programming support to Operation Green Merchant, SNOWCAP, Operations in Bogota and other Special Enforcement Operations. System enhancements were made to NADDIS, STRIDE, Asset Forfeiture and other information support systems.

- Domestic Word Processing: The Office Automation (OA) System which is being installed will replace the existing Word Processing (WP) equipment. The installation of OA however, will take between two and three years to complete. In the mean time, it is necessary that the existing Exxon contract be extended for two more years. Approximately seventy-five word processors which were replaced by OA equipment have been shipped to new locations to satisfy new requirements. An additional nineteen word processors have been shipped overseas and overseas personnel have been trained in their use.

- Overseas Telecommunications: The number of overseas offices that have access to the DEA Automated Telecommunication System (DATS) has been increased from 47 to 53 locations.

- Secure Message System: The Secure Message System has been installed in all but a few domestic offices.

- Information Resource Management (IRM): The Strategic Information Resource Management Study was successfully completed. Work has now been started on the Information Systems Plan (ISP) phase.

- Computer Operations: There has been considerable activity in the area of computer operations. All DEA systems were successfully transferred from the DOJ Data Center at 425 I Street, N.W. to the new location in Rockville, Maryland. The IBM 4341 was replaced with an IBM 9375 remote job entry device resulting in an annual savings of $150,000. The maintenance for the Secure Teletype System was changed to a item and material contract resulting in a $600,000 savings in maintenance charges. Version 2 of Model 204 data base system has been tested and made operational which improved the efficiency and effectiveness of DEA's data base systems.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
ADP and Telecommunications....	109	104	$63,739	96	87	$64,689	-13	-17	$950

DEA requests a net of -13 positions, -17 workyears and $950,000. This request includes an enhancement of 8 positions, 4 workyears, and $1,072,000, to enhance its automated data processing (ADP) and telecommunications program. This enhancement directly supports DEA's strategic initiative to expand DEA's investigative and administrative support functions by eliminating the staff and funding shortfall that has developed in key areas of agency operations. There are two distinct components of this initiative: correcting base staffing and funding shortfalls and completion of 1990 initiatives. This request also reflects program decreases for management and productivity savings of 21 positions and $122,000 for field data entry and computer programming activities.

Correcting Base Shortfalls

DEA requests a total of 8 positions (7 professional/administrative and 1 technical/clerical), 4 workyears, and $489,000 in program funding to overcome staffing shortages. An additional $133,000 in program funding is requested for NLETS Terminals and equipment.

o Staffing Shortfall: DEA's systems contain vast amounts of data, which are too voluminous to process manually, that remain unexploited because systems applications have not been developed. Many processes are still performed manually, even though they could be handled much more productively through automation if ADP programs were available. Furthermore, insufficient oversight exists to avoid duplicative or outdated data; consequently, DEA's overall system utilizes more processing space and time than necessary.

Resolutions to these systemic problems cannot be accomplished without additional professional ADP staff. DEA requires additional personnel and contract support staff for systems development and programming of modified applications; for systems integration, security, and quality assurance of existing programs; for monitoring contract staff; and for database administration.

o Base Replenishment: With the exception of the Office Automation project, DEA's ADP and telecommunications program base has remained relatively static over the past several years. However, as the number of DEA personnel and offices increases, so do the requirements for such ADP services as word processors, facsimile machines, DATS terminals, secure teletype machines, and communications circuits.

Fixed costs comprise more than 93 percent of the ADP and telecommunications budget, leaving little leeway for unplanned requirements. Where possible, DEA is requesting program funding to secure contract ADP support since the majority of the positions within the ADP program fall under A-76 commercial categories. The positions requested are to monitor and oversee the ADP systems contracts and contract staff, initiate database administration functions, and to institute quality assurance programs on DEA systems. Approximately four of these positions will assume contract monitor and administration functions.

EPIC Computer Support

DEA requests $583,000 for EPIC computer support. These funds are required for maintenance of the existing Data Point computer system and for contract support.

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Records Management	70	66	$4,907	70	66	$5,241	70	66	$5,241	...	...	...

Long-Range Goal: Provide effective and efficient records management and library support to ensure the optimum success of DEA's mission requirements.

Major Objectives:

- Upgrade the maintenance, retrievability, and disposition of DEA files through the application of records management practices and technology.
- Provide responsive directives to management services for prompt dissemination of policy and procedures.
- Provide effective reports management through cost benefit analysis, management of a reports information database, and periodic reviews of reporting requirements.
- Provide specialized forms design and analysis for drug enforcement programs and electronic data processing systems.
- Under the Freedom of Information and Privacy Act regulations, respond to all requests to DEA involving Freedom of Information and/or Privacy Act information.
- Provide efficient and responsive library services for all DEA elements.
- Provide information analysis using on-line database retrieval systems in support of overall enforcement requirements.

Base Program Description:

- Records Management: The Records Management program element provides development and implementation of policy and procedures for DEA records management programs and systems, including reports management, forms analysis and design, files maintenance, records disposition, directives disposition, correspondence management, and systems and procedures studies.

- Investigative Records: The Investigative Records program element maintains a large volume of hard copy files on drug investigations conducted by DEA worldwide, and drug intelligence reports received from the FBI and other agencies. Reports in these files are source documents for NADDIS, a computerized data base, and are used extensively by the DEA Headquarters staff. The Investigative Records Unit is responsible for extracting pertinent information from these reports and entering it into NADDIS.

  The program also maintains the Case Status subsystem of EMIS, an on-line information system that has been designed to store, organize and provide information about DEA case and general files on all DEA confidential informants. This information is entered into a highly secure, computerized data base (EMIS II), a central file of all disclosures of information to individuals and agencies outside the Department of Justice as required by the Privacy Act of 1974. Names in these hard copy records are extracted and recorded on microfiche to provide an audit trail.

- Library: The Library's on-line computer information services, Dialog and Nexis, contain over 300 different data bases with approximately 200 million records. These services provide information on a variety of subjects ranging from citations on corporations and individuals to bibliographic citations.

Accomplishments and Workload: DEA's accomplishments in the Records Management program for 1989 were as follows:

- Processed 464,191 investigative reports and opened 32,399 investigative files. Created and updated 910,178 NADDIS records, increasing the database to 2,501,166 records. Processed and reduced to microfiche 4,098 Disclosure Account Records.

- Revised and published DEA's Personnel and Administrative Manual (Volumes 1 & 2). Parts of the Laboratory Operations Manual and Diversion Investigator's Manual were revised and published.

- Processed 114 forms actions to include creation of new forms, revisions and replenishment to existing forms and applicable directives.
- Updated, published and distributed the DEA Forms Catalog for March 1989 requirements.
- Obtained OMB approval (under the Paperwork Reduction Act of 1980) for the reporting and recordkeeping requirements resulting from the passage of PL 100-690, the Chemical Diversion and Trafficking Act of 1988.
- Conducted surveys of 15 Headquarters offices/units to develop file plans for improving filing efficiency, reducing loss of time for retrieving files, disposing of non-essential records, and providing technical assistance and advice to Headquarters and field offices.
- Acquired three on-line computer systems for the library. Two of these systems, Dialogue and Nexis, together contain over 339 different databases with approximately 209 million records. Information from these systems has enabled DEA staff to accomplish more in-depth investigations and research. The third system, On-line Computer Library Center (OCLC), is a library system for cataloging and tracking inter-library loans. The Library maintains 175 special studies and reports for staff reference.

By 1991, the number of investigative reports will increase from 468,478 to 573,906, and input to NADDIS will increase from 263,869 to 302,000, a 13% increase based on a projected assignment of 484 additional agents and compliance investigators.

During 1989, the FOI Section reduced its backlog of FOI/PA requests from 298 to 188, a 37% reduction. Turnaround time for the majority of requests was less than 30 days.

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and local training.........	30	29	$3,232	30	29	$3,512	30	29	$3,512	...	...	...
State and local lab services.....	25	25	$1,994	25	25	$2,121	25	25	$2,121	...	...	...
	55	54	$5,226	55	54	$5,633	55	54	$5,633	...	...	...

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and local training.........	30	29	$3,232	30	29	$3,512	30	29	$3,512	...	...	...

Long-Range Goal: Increase the competency of personnel from organizations, other than DEA, involved in controlling drug trafficking.

Major Objectives:

- Provide training in basic, advanced, and specialized drug law investigative methods and techniques to State, local, military, and other Federal law enforcement personnel.
- Provide drug law enforcement professionals with the skills required to direct a comprehensive drug enforcement program within their area of responsibility for State, local, military, and other Federal agencies.

Base Program Description: DEA's State and Local Training program includes the following:

- Advanced and Specialized Drug Law Enforcement Training: This training includes the National Drug Enforcement Officer's Academy which provides investigator trainees skills in surveillance, undercover operations, search and seizure laws, drug identification and pharmacology, financial asset investigations, and firearms proficiency. Specialized training includes Cannabis Detection and Eradication Training to State and local officers throughout the United States. A variety of training exercises are conducted under the auspices of DEA's 19 field division training units. Field training varies from Basic Investigator's School to short seminars on specialized topics such as clandestine laboratory operations.

- Management and Supervisory Drug Enforcement Training: This training curriculum focuses on management techniques, priorities, interdepartmental cooperation, and available Federal support to provide management officials the skills required to direct a comprehensive drug enforcement program.

Accomplishments and Workload: Accomplishments of the State and Local Training program are presented in the following table:

State & Local Training	1988 Actual	1989 Actual	1990 Estimate	1991 Estimate
Task Force Officer				
Number of Classes	3	3	4	4
Number of Students	74	90	120	120
Drug Unit Commander				
Number of Classes	2	2	4	4
Number of Students	76	75	160	160
Basic Drug Enforcement				
Number of Classes	80	80	125	125
Number of Students	3,339	3,400	4,800	4,800
Marijuana Eradication				
Number of Classes	14	10	10	10
Number of Students	375	250	250	250
Clandestine Laboratory				
Number of Classes	1	8	5	5
Number of Students	30	292	150	150

Note: This chart includes military and other Federal agency training. Some of the training is conducted by the 19 DEA field divisions, and some is conducted at Quantico.

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and local laboratory services	25	25	$1,994	25	25	$2,121	25	25	$2,121	...	...	...

Long-Range Goal: Provide support to State and local law enforcement agencies through supplemental laboratory analysis of drug evidence, thereby meeting the applicable State Speedy Trial Act provision, and encouraging State and local agencies to achieve forensic analytical self-sufficiency through provision of technical assistance.

Major Objectives:

- Assist State and local laboratories to achieve self-sufficiency through publishing technical information on a regular basis and participating in national and local forensic sciences meetings, as the need arises: provide training to forensic chemists on new techniques and procedures; and support programs that enhance State and local laboratory capabilities.
- Provide quantitative and qualitative analysis of drug evidence for those agencies that do not have the required expertise or facilities, primarily the Metropolitan Police Department, Washington, D.C. (MPDC).
- Provide expert testimony in court regarding analytical findings for prosecution purposes.
- Provide analytical drug reference standards where there is no commercial source.
- Conduct ballistics examinations to identify common origins of illicitly-manufactured tablets and capsules.

Base Program Description: The State and Local Laboratory Services program is responsible for providing State and local agencies with technical assistance, beyond the expertise of the forensic laboratory servicing the agency, and for helping State and local forensic laboratories achieve self-sufficiency in the analysis of drug evidence for criminal investigations and prosecutions. This program seeks to upgrade the analytical capabilities of State and local laboratories.

Accomplishments and Workload: In support of State and local agency drug investigations during 1989, DEA laboratories analyzed 7,625 drug exhibits, testified in 138 trials, conducted 48 ballistics examinations, published 12 issues of Microgram, and conducted four seminars to train 69 State and local forensic chemists. Additionally, DEA forensic chemists continued to participate in regional, national, and international forensic science organizations by holding officer positions, participating on committees, and presenting scientific papers. Representatives of the laboratory system held several meetings with officials of foreign law enforcement agencies to coordinate intergovernmental scientific activities.

The success of this program in fostering self-sufficiency of State and local agencies can be measured by the reduction of evidence submitted by State and local agencies to DEA for analyses from almost 16,000 exhibits in 1976 to just 7,625 exhibits in 1989.

However, workload generated by the Metropolitan Police Department, Washington, D.C. (MPDC) resulted in more than 7,200 exhibit analyses in 1989. The MPDC relies totally on DEA for analysis of its drug evidence. Since tabulation of MPDC evidence submissions began in 1978, the share of State and local exhibits analyzed by DEA on behalf of the MPDC has increased from 53 percent to 94 percent in 1989, when 7,208 MPDC exhibits were analyzed.

Workload projections for the State and Local Laboratory Services program are presented in the following table:

Item	1988 Actual	1989 Actual	1990 Estimate	1991 Estimate
Evidence Analysis	8,037	7,675	8,550	8,550
Evidence Backlog	401	358	966	2,490
Court Appearances	141	135	150	150
Ballistics Examination	42	50	50	50
Training Seminars	4	4	4	4

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive direction and control......	367	362	$23,476	367	362	$25,702	371	357	$26,632	4	-5	$930
Administrative services.........	228	226	$18,738	228	226	$19,870	226	224	$19,858	-2	-2	$-12
	595	588	$42,214	595	588	$45,572	597	581	$46,490	2	-7	$918

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive direction and control......	367	362	$23,476	367	362	$25,702	371	357	$26,632	4	-5	$930

Long-Range Goal: Develop, maintain, and provide effective and efficient management, executive direction and control functions to ensure maximum achievement of the agency's mission.

Major Objectives:

- o Provide quality management direction and control through policy development. Provide accurate and timely information to Congressional requests, specific interest groups and the public regarding DEA's mission and activities. Provide a full range of legal services to the agency. Provide centralized program coordination and reporting of asset forfeiture.

- o Provide effective budget planning, formulation and execution. Provide an efficient DEA financial accounting and reporting system in compliance with OMB/GAO directives. Strengthen management procedures and internal controls through OMB Circulars A-123 and A-76.

- o Investigate instances of integrity misconduct within DEA. Maintain financial accuracy and timeliness through internal audits. Effectively monitor and evaluate all programs within DEA through inspections for mission accomplishment and operational performance. Provide physical, facility and information security to DEA. Continue an effective strategic planning process for DEA including the development of the Field Management Plan. Establish statistical systems for government-wide and DEA drug seizures, drug arrests, and asset seizures and serve as a clearinghouse for all DEA operational statistics.

- Develop agency-wide resources for drug abuse prevention and implement a nationwide program of demand reduction.

Base Program Description: This program is responsible for setting policy, and providing solutions to problems in program formulation, management functions and internal control as well as ensuring the effective development and uitlization of resources so that strategic goals and objectives continue to be met.

- Staff Operations: This area responds to Congressional, media and public inquiries, provides DEA officials with reports on Congresssional activities; issues press releases; prepares text of speeches, outlines, talking points, and Congressional testimony; and prepares legal briefs, opinions, presentations and provides technical legal training in regulatory and criminal matters, civil litigation, seizures, forfeiture of assets, personnel, Equal Employement Opportunity, procurement and international matters.

- Financial Management: This area prepares DEA's budget, which is integrated with the DEA Strategic Planning process; develops and maintains DEA's resource allocation plans; and provides the operation and supervision of DEA's accounting system.

- Planning and Inspection: This area advises management on all matters pertaining to planning, policy analysis, organization control, statistical systems, personnel, document and plant security and integrity/misconduct matters.

Accomplishments and Workload:

- Legal Services: During 1989, DEA accomplished 1,192 civil administrative actions, an increase of 16.3 percent over 1988. Enhanced enforcement activity was the principal cause of this increase; 131 employee discipline actions (a 46 percent increase) were reviewed. Projecting modest increases of 15 percent in 1990 and 1991, the total workload will increase to 1,526, a 75 percent over 1988. In addition, legal advice was provided during the development of DEA programs for drug deterrence and hazardous waste disposal.

DEA's criminal law program was responsible for the review of 148 applications to conduct electronic surveillance, 20 requests for exemptions to the undercover operations guidelines. In addition, 45 formal legal opinions were drafted and 45 complex discovery requests were processed. Requests for legal assistance by the Office of Intelligence also increased dramatically in 1989.

Legal workload associated with diversion and regulatory activities is increasing by 25 percent annually. Due to the preponderance of Section 823(f) public interest cases involving practitioners, approximately 70 percent of all cases initiated result in hearings docketed with DEA's administrative law judges. Participation in the drafting of rules to implement the Chemical Diversion and Trafficking Act (CDTA) and reviewing other CDTA mandated activities has accounted for a substantial portion of the increased regulatory workload.

In 1989, DEA processed over 18,919 asset seizures having a total appraised value in excess of $973 million. In addition, DEA administratively forfeited 8,395 assets valued at over $97.8 million. Further, requests for State and local revenue sharing were processed and approved resulting in a total sharing of $149.8 million resulting from DEA initiated cases.

o Congressional and Public Affairs: In 1989, DEA coordinated the preparation and appearance of DEA officials in 29 Congressional hearings and 90 formal Congressional briefings; prepared responses for 948 letter inquiries from Congress and responded to 1,056 Congressional telephone inquiries; prepared and distributed 32 legislative summaries; processed responses to 10,000 media inquiries and distributed 227,000 publications; represented the agency and participated in 2,400 drug-related workshops and conferences throughout the country; prepared approximately 44 major speeches for the Administrator and the Deputy Administrator; and coordinated and processed 132 public appearances/speech requests.

o Planning and Inspection: In 1989 DEA conducted inspections of 10 Divisions, one foreign office, one laboratory, five Headquarters offices, and one pre-inspection survey. Eighteen audits were conducted concurrent with these inspections, along with two audits of Special Enforcement Operations and 12 special reviews. These inspections and audits resulted in the issuance of 216 recommendations that, when fully implemented, will increase the efficiency and effectiveness of DEA operations, assure management of compliance with applicable laws, regulations and rules, and assure the adequacy of internal controls over agency programs.

During 1989, DEA continued to produce and distribute editions of its comprehensive Quarterly/Annual Statistical Report series. A major review and redesign of the methodology for summarizing statistical information on drug seizures has been completed, producing significant improvements in the timeliness, accuracy, thoroughness, and usefulness of such management information. During the year, DEA has also continued to work with the National Insititute on Drug Abuse on the redesign of the Drug Abuse Warning Network, a project that is near completion and that will greatly increase the scientific validity of drug abuse data collected by that system.

DEA continued to provide security assistance to DEA facilities worldwide. Because of new facility construction during 1988 and 1989, a Physical Security Specialist was assigned on-site to monitor the construction of the EPIC and DEA Headquarters facilities.

ADP security remained a priority and necessitated development of new security requirements and policies concurrent with the transition to the M-204 system. Extensive support was required in terms of formulating security requirements and policies for the Office Automation system.

Item	1988 Actual	1989* Actual	1990 Estimate	1991 Estimate
Inspections	51	18	32	53
Audits	56	32	35	50
OPR Investigations	263	480	500	600
Program Evaluations	18	26	30	30
Policy Analyses	110	125	125	180
Internal Control Actions	12	22	45	55
SAC Performance Appraisals	30	193	190	190
DOJ/GAO Audit Liaison	25	50	70	40
Arrest and Disposition Reports Processed	43,500	46,173	48,686	50,642
Statistical Reports	97	106	109	117
Statistical Information Requests	470	500	525	550
Personnel Security Clearance Actions	2,588	2,653	2,800	3,600

Item	1988 Actual	1989 Actual	1990 Estimate	1991 Estimate
Physical Security Surveys	43	68	95	95

NOTE: DEA's statistical databases are continually revised. Figures shown represent the most accurate statistics available, and may differ from those previously reported.

*Many of the Inspection and Audit functions were transferred to the Office of the Inspector General in 1989.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive direction and control....................	367	362	$25,702	371	357	$26,632	4	-5	$930

DEA requests a net of 4 positions, -5 workyears and $930,000. This request includes 18 positions (8 Attorneys and 10 support positions), 9 workyears, and $1,011,000, to enhance DEA's Legal Services, Financial Management and Planning and Inspection activities to meet increasing workload demands and reflects program decreases for management and productivity savings of 14 positions and $81,000 for accounting and asset forfeiture fund functions.

Legal Activities

DEA requests 10 positions (8 attorneys and 2 support positions), 5 workyears, and $444,000 to respond to workload requirements for asset forfeiture processing, which have resulted from increases in agent staffing and increased workload. This request directly supports DEA's strategic planning initiative to expand DEA's investigative and administrative support function by augmenting field administrative support in key areas of shortage.

Over the past several years, DEA has placed increased focus on identifying and seizing the proceeds of drug crime and investigating the fiduciary relationships that enable trafficking organizations to function. These efforts have resulted in a 64 percent increase in the value of DEA asset seizures since 1986. A primary cause of this success is the implementation of Asset Removal Teams in each of the 19 field divisions that have enhanced DEA capabilities to seize assets and property, through increased investigative activity. DEA anticipates that the number of seizure actions will total 40,000 annually in 1991. While these statistics are impressive, seizures are of limited value unless the assets are subsequently forfeited to the government; unfortunately, DEA has not been as successful in accomplishing the latter.

The Anti-Drug Abuse Act of 1988 amended the prior foreign sharing provisions and now permits the sharing of forfeited assets with foreign governments in basically the same manner as DEA now has with the State and local police. This will also add asset forfeiture processing requirements.

In addition to processing forfeitures, the program is also responsible for training, assisting the field, reviewing sharing requests, responding to inquiries from interested third parties, and meeting the increased demand from State and local agencies for equitable sharing which have resulted in a considerable increase in sharing requests filed.

As asset seizure cases become increasingly complex and traffickers become more adept at hiding assets and litigating against the government, DEA's legal authority and administrative handling of seizure and forfeiture is under closer scrutiny. A recent evaluation of the Department's asset forfeiture program by the Justice Management Division recommended increased legal review of DEA seizures and forfeitures. The current Asset Forfeiture Unit now has five attorneys to review every case, advise and train DEA field staff and to assist the United States Attorneys. Because DEA's forfeiture program has grown significantly, by 1991, DEA anticipates nearly 100 headquarters and 300 field employees and contractors will be involved in forfeiture activities. DEA anticipates that all functions except legal review and training will be contracted out utilizing funding from the Asset Forfeiture program.

Planning and Inspections

DEA requests 5 support positions, and 2 workyears, and $222,000 to eliminate staffing shortfalls in DEA's security program. This request is in direct support of the strategic initiative to expand DEA's investigative and support function by eliminating the staff and funding shortfall that has developed in key areas of agency operations.

o ADP Security: DEA is requesting 1 support position. DEA's Security Program is responsible for the formulation and implementation of policies and procedures to prevent the misuse, abuse and unauthorized dissemination of DEA's computerized data. This function entails the maintenance of more than 5,000 computer access codes for DEA personnel, personnel of other Federal agencies, State/local task force officers, and contractors working on various DEA data processing projects. Assistance in uncovering possible leaks of information from DEA's sensitive computer data base and other time-consuming efforts such as attending meetings for the purpose of providing input associated with the security of DEA's sensitive data files and other data processing related assets is required. Currently, one individual is responsible for these activities and as such has not been able to take over routine responsibilities such as password maintenance, and the increasing work on related assignments from the Office of Professional Responsibility. The Computer Security Act of 1987 has created another area of responsibility for this function. Training in computer security practices is now required for all employees involved with systems containing sensitive data.

- Personnel Security: DEA requests 3 personnel security specialists, 1 ADP security specialist, and 1 support position to enhance the current staffing and to reduce and eliminate current backlogs within the security program. Without these additional positions the efficiency, productivity and effectiveness will continue to be negatively impacted by increased backlogs and delays. Personnel Security specialists perform functions relating to hiring and granting of security clearances for all DEA positions. In addition, they coordinate appropriate background investigations for the private contractors performing these functions for DEA. There is a variety of in-service functions performed by these specialists such as upgrading clearances, updating background investigations and passing clearances to appropriate agencies.

  DEA is facing a broad need to hire a significant number of special agents, diversion investigators, chemists, and support personnel. There is also a significant trend toward increased domestic contractor and overseas contract hiring activity requiring personnel security support. Review of the overall hiring process by personnel security indicates that the lack of sufficient staffing causes delays and backlogs in the hiring process. DEA recently engaged a private company to conduct field background investigations on non-core support employees. This essentially removed this function from Special Agents in the field. However, in implementing this contract, personnel security specialists have had to perform additional case organization functions increasing their per case work time.

  Proper support in all other areas such as updates, upgrading's and initial clearances must be enhanced to provide an efficient and effective level of support.

Financial Management

DEA requests 3 support positions, 2 workyears, and $345,000, including $210,000 in program funding, to eliminate staffing and funding shortfalls in DEA's accounting and voucher processing functions. This request is in direct support of DEA's strategic planning initiative to expand DEA's investigative and administrative support functions by eliminating staffing and funding shortfalls that have developed in key areas of operations.

With the expansion of DEA's domestic and foreign drug suppression/enforcement programs, there has been a steady increase in the number of transactions affecting cash over the years.

Since 1985, DEA has experienced substantial growth in the area of voucher processing. Commensurate with DEA's further growth and expansion, the voucher processing activity will continue to increase beyond DEA's capability to respond.

This request seeks to eliminate the staffing and funding shortfalls in financial management support staff. DEA requests three positions (two accountant and one support) to improve current activities. This request includes one operating accountant and one support position to improve the financial reporting of accounting, budgeting, property, procurement, payroll, and seized and forfeited assets. In addition, this enhancement will improve monitoring and reconciliation of DEA cash revenue and outlays for DEA's appropriated accounts, and accounting for Asset Forfeiture Fund outlays to ensure accurate billing. One systems accountant will review, revise, and establish sound internal financial controls in the financial system.

In addition, $210,000 is requested to fund DEA's share of implementation costs associated with the Attorney General approved Department-wide accounting system. This request provides initial funding to merge DEA's accounting system with the Department's Financial Management Information System. Specifically, it funds contractor support to identify requirements for modifying the existing system, document specialized user policies and procedures, train users, identify and resolve implementation issues, and for any other tasks associated with successful conversion from independent systems to the Department's system.

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative services	228	226	$18,738	228	226	$19,870	226	224	$19,858	-2	-2	$-12

Long-Range Goal: Provide effective and efficient administrative support to ensure maximum achievement of DEA's mission.

Major Objectives:

- Provide effective position management and appropriate compensation of employees, including merit pay, benefits, awards, and retirement services.
- Guide and assist in processing all disciplinary actions and grievances, and establish policy and advise on performance appraisals.
- Validate personnel procedures and practices in areas of employee performance appraisal, selection, promotion, and discipline.
- Provide necessary health services, including employee assistance on personal and behavioral problems affecting performance and well-being, including drug testing.
- Manage office and special purpose space to meet various DEA requirements.
- Provide effective management in administrative areas for employees concerning relocation, procurement, contracting, and office services.
- Recruit, staff, and manage DEA employees according to Equal Employment Opportunity regulations and procedures.

Base Program Description:

- Personnel Operations: An efficient personnel program is required to recruit and bring on-board a variety of dedicated and proficient staff in order to carry out the difficult and diversified functions inherent in DEA mission responsibilities. The need for a highly mobile force located in every State and in over forty countries throughout the world, adds to personnel operations problems and workload. All personnel work, other than limited clerical functions, is centralized in Washington, D.C.

  DEA personnel operations require comprehensive attention to: classification; pay and position management, employee relations, assistance and benefits; recruitment and placement; health and safety; personnel systems automation development; and validation and analysis of personnel procedures. The Office of Personnel advises and assists managers and employees on personnel matters, develops policy and provides guidance for the effective management of the workforce.

- Equal Employment Opportunity: EEO programs ensure that DEA focuses on legal and moral responsibilities in acquiring and managing its workforce. This prevents discrimination and morale problems and assures the equitable treatment of all DEA employees.

- General Services: The General Services staff responds to all of DEA's administrative support requirements, including: the acquisition and utilization of space; permanent change of station orders; relocation benefits; office supplies; formal procurement contracts and requisitions; office furniture and equipment; and DEA's motor vehicle fleet.

Accomplishments and Workload: During 1989, the Administrative Services program accomplished the following:

- Personnel Operations: Provided technical assistance and advice on issues related to health and safety, classification, position management, pay administration (including time and attendance), awards, performance appraisals, performance standard revisions, performance-based actions (adverse actions, grievance and appeals), and the Federal Employee Retirement System (FERS).

  Processed 2,513 applications for Agent positions, hired 180 Agent trainees for four training classes, including 35 pilots, 65 minorities and 25 women.

  Conducted 1,168 drug tests including 1,031 random tests and 132 Agent trainee tests.

  Processed and entered 27,056 personnel actions into the computerized personnel data system. Completed 2,450 physical examinations, examination packets and medical clearances,and conducted 1,138 Agent medical reviews.

  Assisted 526 employees and family members through employee assistance counseling and services.

  Processed 160 retirements and 1,498 award actions.

- General Services: In 1989, four new domestic offices and two foreign offices were established. Facilities initiated 69 major actions to expand, relocate, or reconfigure space to accommodate changing requirements; monitored, co-ordinated and revised where necessary 54 major projects which were still in progress from the previous year; designed, revised or expanded telephone systems at 55 locations; initiated 64 security system installations or upgrades and initiated eight major heating, ventilation and air conditioning (HVAC) projects for the Laboratories.

In 1990, Facilities has requirements for 46 relocations and/or expansions; modifications and/or installations to 61 security systems; 58 telephone system revisions, new systems or relocations; 6 new office packages; and 13 miscellaneous alteration projects.

DEA has been delegated Lease Management authority for 51 locations totaling approximately 526,000 square feet. DEA is responsible for the operation, maintenance and repair of its solely owned El Paso Intelligence Center (EPIC) which covers ten acres and 57,615 square feet of office space; and operates and maintains two twelve story office buildings of approximately 400,000 square feet at Lincoln Place. DEA was formerly a tenant of GSA in all occupied space. It is now taking the place of GSA in the management and operation of more than half of its occupied space.

During 1989, the DEA awarded 78 contracts and/or modifications and issued 2,247 purchase orders. It is projected that DEA will complete approximately 120 contractual awards and modifications with approximately 2,100 purchase orders for 1990.

In 1988, DEA issued 802 Permanent Change of Duty Station (PCS) orders, 809 passports and 1,000 visas and provided 2,639 tickets and reservations for Headquarters personnel. During 1989, DEA issued 417 PCS orders, 544 passports and 595 visas.

In 1989 system improvements were made in the automated motor vehicle inventory to better monitor maintenance, utilization, and condition of the fleet.

- Equal Employment Opportunity: During 1988, the function of investigating DEA discrimination complaint cases was transferred to the EEO Staff. As a result, two additional full-time investigators were assigned to the EEO Staff to assist with the timely processing of complaints. EEO continued to perform its normal duties including providing assistance in minority recruiting at annual Special Emphasis Conferences; training programs for managers, supervisors, and employees; and a seminar for DEA field Special Emphasis Program Coordinators.

Program Change:

	1990 Appropriation As Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative services	226	226	$18,736	228	226	$19,870	226	224	$19,858	-2	-2	$-12

This request reflects program decreases for management and productivity savings of 2 positions and $12,000 for accounting and data entry functions.

1056

DRUG ENFORCEMENT ADMINISTRATION
Salaries and Expenses
Justification of Multi - Activity Program Changes
(Dollars in Thousands)

Item of decrease: Management and Productivity Savings

Program	Perm. Pos.	WY	Amount
Diversion Control	2	2	12
ADP and Telecommunications	21	21	122
Executive Direction & Control	14	14	81
Administrative Services	2	2	12
TOTAL	39	39	227

To develop more efficient operations, DEA has identified for privatization the following activities: pharmacist registration, field data entry, computer programming, accounting, asset forfeiture, and office services functions.

These savings will not directly affect investigative activities.

1057

Drug Enforcement Administration
Salaries and expenses
Financial Analysis - Program Changes
(Dollars in thousands)

Item	Domestic Enforcement		SEO&P		Foreign Cooperative Investigations Program		Diversion Control		Diversion Control		State & Local Task Forces	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades												
GS - 13	150	$6,390	15	$639	9	$383	...	...	...	...	18	$767
GS - 12	188	6,735	15	537	9	322	28	$1,003	...	...	18	645
GS - 6	75	1,363	7	127	4	73	7	127	...	...	9	164
GS - 3	...	...	...	...	...	...	...	...	(2)	($26)	...	...
Total positions and annual rate	413	14,488	37	1,303	22	778	35	1,130	(2)	(26)	45	1,576
Lapse (-)	(206)	(7,244)	(18)	(651)	(11)	(389)	(18)	(565)	...	...	(23)	(788)
Other personnel compensation	37	1,017	4	102	2	61	...	...	...	...	5	122
Total workyears and personnel compensation	244	8,261	23	754	13	450	17	565	(2)	(26)	27	910
Personnel benefits	...	2,311	...	209	...	888	...	175	...	(1)	...	252
Travel and transportation of persons	...	2,312	...	230	...	430	...	110	...	...	...	2,076
Transportation of things	...	851	...	85	...	304	...	...	...	...	...	102
GSA rent	...	1,569	...	141	...	...	...	133	...	...	...	171
Communications and utilities	...	753	...	69	...	186	...	48	...	...	...	1,445
Printing and reproduction	...	22	...	2	...	1	...	1	...	...	...	3
Other services	...	4,217	...	405	...	1,287	...	210	...	15	...	1,542
Supplies and materials	...	891	...	89	...	51	...	20	...	...	...	282
Equipment	...	17,503	...	1,690	...	1,280	...	769	...	...	...	2,041
Grants	...	...	...	10,000	...	...	...	...	...	...	...	...
Total program workyears and obligations changes requested, 1991	244	38,690	23	13,674	13	4,877	17	2,031	(2)	(12)	27	8,824

Financial Analysis - Program Changes, Continued

(Dollars in thousands)

Item	Intelligence		DEA Laboratory Services		DEA Training		Research, Engineering and Technical Operations		ADP & Tele-communications		ADP & Tele-communications	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades												
GS - 13	...	...	...	...	7	$298	5	$213	...	...	...	...
GS - 12	69	$2,471	22	$788	7	251	11	394	7	$250	...	...
GS - 6	16	291	16	291	8	145	5	91	1	18	...	...
GS - 3	...	...	...	...	...	...	...	...	...	...	(21)	($273)
Total positions and annual rate	85	2,762	38	1,079	22	694	21	698	8	268	(21)	(273)
Lapse (-)	(42)	(1,381)	(19)	(539)	(11)	(347)	(11)	(349)	(4)	(134)	...	...
Other personnel compensation	...	...	...	...	2	47	1	34	...	...	...	...
Total workyears and personnel compensation	43	1,381	19	540	13	394	11	383	4	134	(21)	(273)
Personnel benefits	...	428	...	167	...	111	...	110	...	42	...	(68)
Travel and transportation of persons	...	159	...	69	...	107	...	5,500	...	...	...	...
Transportation of things	...	...	...	...	...	40	...	28	...	...	...	...
GSA rent	...	323	...	145	...	83	...	79	...	30	...	...
Communications and utilities	...	127	...	52	...	37	...	4,134	...	9	...	...
Printing and reproduction	...	3	...	...	...	1	...	1	...	...	...	...
Other services	...	2,607	...	215	...	208	...	3,341	...	378	...	219
Supplies and materials	...	57	...	45	...	42	...	559	...	...	...	...
Equipment	...	2,038	...	2,054	...	890	...	25,349	...	479	...	...
Grants	...	...	...	...	...	...	...	...	...	...	...	...
Total program workyears and obligations changes requested, 1991	43	7,123	19	3,287	13	1,913	11	39,484	4	1,072	(21)	(122)

Financial Analysis - Program Changes, Continued

(Dollars in thousands)

Item	Executive Direction & Control Pos.	Executive Direction & Control Amount	Executive Direction & Control Pos.	Executive Direction & Control Amount	Administrative Services Pos.	Administrative Services Amount	Total Pos.	Total Amount
Grades								
GS - 13	...	...	...	...	...	...	204	$8,690
GS - 12	15	$537	...	...	...	...	389	13,933
GS - 6	3	55	...	...	...	...	151	2,745
GS - 3	...	...	(14)	($182)	(2)	($26)	(39)	(507)
Total positions and annual rate	18	592	(14)	(182)	(2)	(26)	705	24,861
Lapse (-)	(9)	(296)	...	...	...	...	(372)	(12,683)
Other personnel compensation	...	...	...	...	...	...	51	1,383
Total workyears and personnel compensation	9	296	(14)	(182)	(2)	(26)	384	13,561
Personnel benefits	...	92	...	(46)	...	(1)	...	4,669
Travel and transportation of persons	...	86	...	...	...	...	...	11,079
Transportation of things	...	...	...	...	...	...	...	1,410
GSA rent	...	68	...	...	...	...	...	2,742
Communications and utilities	...	85	...	...	...	...	...	6,945
Printing and reproduction	...	...	...	...	...	...	...	34
Other services	...	116	...	147	...	15	...	14,922
Supplies and materials	...	8	...	...	...	...	...	2,044
Equipment	...	260	...	...	...	...	...	54,353
Grants	...	...	...	...	...	...	...	10,000
Total program workyears and obligations changes requested, 1991	9	1,011	(14)	(81)	(2)	(12)	384	121,759

Drug Enforcement Administration

Salaries and expenses

Status of Construction and Summary of New Facility Requirements

(In thousands of dollars)

	Budget Request or Appropriation								
	Planning and Site Acquisition		New Construction						
Project	Fiscal Year	Amount	Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Current Status Obligations to Date	Stage of Programs	Expected Completion Date
New DEA Airport	1990	$2,500	1991	$17,000	$10,000	$19,500	...	In planning stages.	Sept. 1993
New DEA Training Facility	1990	$1,000	1991	$1,000	...	...	...	In early planning stages	Unknown

Drug Enforcement Administration

Salaries and expenses

Priority Rankings

Base Program

Program	Ranking
Domestic Enforcement	1
Special Enforcement Operations and Programs	2
State & Local Task Forces	3
Foreign Cooperative Investigations	4
Diversion Control	5
Intelligence	6
DEA Laboratory Services	7
Research, Engineering & Technical Operations	8
ADP & Telecommunications	9
DEA Training	10
Records Management	11
State & Local Laboratory Services	12
Administrative Services	13
Executive Direction & Control	14
State & Local Training	15

Program Increases

Program	Ranking
Domestic Enforcement	1
State & Local Task Forces	2
Foreign Cooperative Investigations Program	3
Intelligence	4
Special Enforcement Operations and Programs	5
ADP & Telecommunications	6
Diversion Control	7
Research,Engineering & Technical Operations	8
DEA Laboratory Services	9
Executive Direction & Control	10
DEA Training	11

Drug Enforcement Administration
Salaries and expenses
Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Request	1991 A-76 Decreases	1991 Program Increases	1991 Total
Attorneys (905)	24	24	...	8	32
Other Legal and Kindred (900-998)	14	14	...	...	14
Legal Instruments Examining Series (963)	29	29	...	...	29
General Investigating Series (1810)	379	379	...	29	408
Criminal Investigating Series (1811)	2,945	2,511	...	408	2,919
Miscellaneous Inspectors Series (1802)	57	57	...	...	57
Other Miscellaneous Occupations (001-099)	16	16	...	...	16
Intelligence Series (132-134)	281	370	...	57	427
Personnel Management (200-299)	85	85	...	...	85
General Administrative, Clerical and Office Services (300-399)	1,619	1,462	(29)	219	1,652
Biological Sciences (400-499)	4	4	...	...	4
Accounting and Budget (500-599)	105	105	(10)	3	98
Medical, Dental and Public Health (600-799)	3	7	...	...	7
Engineering and Architecture Group (800-899)	6	6	...	...	6
Information and Arts Group (1000-1099)	19	19	...	...	19
Business and Industry Group (1100-1199)	9	9	...	...	9
Physical Sciences Group (Other than Chemists) (1300-1399)	10	10	...	...	10
Chemist Series (1320)	186	195	...	20	215
Library and Archives Group (1400-1499)	3	3	...	...	3
Mathematics and Statistics Group (1500-1599)	10	10	...	...	10
Equipment, Facilities and Service Group (1600-1699)	40	40	...	...	40
Education Group (1700-1799)	3	3	...	...	3
Supply Group (2000-2099)	22	22	...	...	22
Transportation (2100-2199)	6	6	...	...	6
Ungraded (Wage Grade & Foreign Service Local)	21	21	...	...	21
Total	5,896	5,407	(39)	744	6,112

Drug Enforcement Administration
Salaries and expenses
Detail of Permanent Positions by Category - Continued
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Request	1991		
			A-76 Decreases	Program Increases	Total
Washington	1,148	1,199	(39)	88	1,248
U.S. Field	4,357	3,817	...	634	4,451
Foreign Field	391	391	...	22	413
Total	5,896	5,407	(39)	744	6,112

Drug Enforcement Administration
Salaries and expenses
Schedule of Motor Vehicles

Method of Acquisition and Type of Vehicle	1988 End of Year Inventory	1989			1990			1991			
		Acquired	Disposed	End of Year	Acquired	Disposed	End of Year	Acquired	Average Cost	Disposed	End of Year
Direct Purchase:											
Large sedan	134	...	...	134	...	...	134	...	...	...	134
Midsize sedan	1,544	410	489	1,465	703	489	1,679	1,293	$18,000	775	2,197
Compact sedan	992	...	...	992	...	...	992	...	...	...	992
Subcompact sedan	166	...	...	166	...	...	166	...	...	...	166
Small sedan	1	...	...	1	...	...	1	...	...	...	1
Station wagon	36	...	...	36	...	...	36	...	...	...	36
Van	41	...	...	41	...	...	41	...	...	...	41
Bus	1	...	...	1	...	...	1	...	...	...	1
4-wheel drive	132	...	...	132	...	...	132	...	...	...	132
Special purpose											
Sedan	5	...	...	5	...	...	5	...	...	...	5
4-wheel drive	21	...	...	21	...	...	21	...	...	...	21
Other	71	...	...	71	...	...	71	...	...	...	71
Trucks:											
Pickup	7	...	...	7	...	...	7	...	...	...	7
Other	1	...	...	1	...	...	1	...	...	...	1
Subtotal purchased	3,152	410	489	3,073	703	489	3,287	1,293	$18,000	775	3,805
Leased:											
Midsize	...	...	...	...	...	...	...	...	...	...	...
Seized or not cost excess											
Limousine	2	...	...	2	...	...	2	...	...	...	2
Large sedan	40	...	...	40	...	...	40	...	...	...	40
Midsize sedan	379	350	350	379	350	350	379	350	$17,015	350	379
Other	643	...	...	643	...	...	643	...	...	...	643
Subtotal seized	1,064	350	350	1,064	350	350	1,064	350	$17,015	350	1,064
Total vehicles	4,216	760	839	4,137	1,053	839	4,351	1,643	$17,786	1,125	4,869

Organization - Drug Enforcement Administration

Schedule of Aircraft

	1988 End of Year Inventory	1989			1990			1991		
		Acquired	Disposed	End of Year	Acquired	Disposed	End of Year	Acquired	Disposed	End of Year
Direct Purchase:										
Fixed wing										
Single engine	22	7	...	29	...	...	29	7	...	36
Multi-engine	10	1	...	11	2	...	13	6	...	19
Helicopter										
Single engine	3	...	...	3	...	...	3	...	...	3
Multi-engine	4	2	...	6	...	...	6	...	...	6
Subtotal purchased	39	10	0	49	...	0	51	13	0	64
Leased:										
Fixed wing										
Multi-engine (Turbine)		...	...	...	...	...	...	...	...	...
Seized:										
Fixed wing										
Single engine	13	...	3	10	...	...	10	...	4	6
Multi-engine	30	4	5	29	4	4	29	4	7	26
Helicopter										
Single engine (Turbine)	2	...	...	2	...	...	2	...	...	2
Twin engine	3	...	...	3	...	...	3	...	...	3
Subtotal seized	48	4	8	44	4	4	44	4	11	37
Military:										
Fixed wing										
Single engine	5	...	5	...	...	...	...	...	...	...
Multi-engine	...	...	...	...	...	...	...	...	...	...
Subtotal military	5	...	5	...	...	...	...	...	...	...
Total aircraft	92	14	13	93	4	4	95	17	11	101

Drug Enforcement Administration
Salaries and expenses
Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1990 as enacted	5,407	5,199	$556,481
Sequestration	...	...	(7,772)
1990 appropriation anticipated	5,407	5,199	548,709
1991 Mandatory increases:			
Annualization of 1990 positions	...	165	7,741
One additional compensatory day	...	...	977
1990 Full-year pay increase impact on 1991	...	...	11,442
1991 pay increase	...	...	4,291
Special salary rates	...	...	634
Administratively Uncontrollable Overtime (AUO)	...	...	13,826
Health Benefits	...	...	1,786
Federal Employees' Compensation Act (FECA) - Workers' Compensation	...	...	342
GSA Rent	...	...	1,707
GSA recurring reimbursable services	...	...	69
GPO printing costs	...	...	33
Employee data and payroll services	...	...	56
Foreign Allowances	...	...	799
General pricing level adjustment	...	...	6,713
Total, mandatory increases	...	165	50,416
Decreases:			
Other Decreases:			
FTS	...	...	(2,107)
Reduction for Agents & Headquarters	...	...	(167)
Nonrecurring costs - Modular	...	...	(12,005)
Nonrecurring costs - Special	...	...	(6,605)
Total, decreases	...	...	(20,884)
1991 Base	5,407	5,364	578,241
A-76 Decreases	(39)	(39)	(227)
Program increases	744	372	121,986
1991 Request	6,112	5,697	700,000

Drug Enforcement Administration

Salaries and expenses

Justification of Adjustments to Base

(Dollars in thousands)

	Pos.	WY	Amount
Mandatory increases:			
1. Annualization of positions requested in 1990	...	165	$7,741
2. One additional compensable day	...	...	977

The annual salary rate for Federal employees is based on 260 paid days. During 1991, there is one more compensable day (261) than 1990 (260). (Permanent personnel compensation $197,222,000/260 = $759,000 plus $218,000 for benefits.)

	Approved 1990 Increase	Annualization Required
Annual salary rate of 332 approved positions	$12,001	
Less lapse (50 percent)	5,990	$5,990
Net compensation	6,011	
Associated employee benefits	1,751	1,751
Total	7,762	7,741

	Pos.	WY	Amount
3. 1990 Full-year pay increase impact on 1991	...	...	11,442

This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U. S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $11,442,000 is the amount required for full-year funding in 1991.

	Pos.	WY	Amount
4. 1991 pay increase For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This request provides for 50 percent of the proposed 3.5 percent pay increase effective in January of 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $4,291,000, is the cost of the pay increase for approximately three-quarters of the year assuming a 50-percent absorption.	...	...	$4,291
5. Special salary rates This request provides increases as authorized by law in 5 U.S.C. 5303. The Office of Personnel Management (OPM) has approved these rates for positions where retention and recruitment of qualified applicants is a problem. The Department's request represents coverage of 27 authorized special rates and 5 special rate surveys in progress. This request also includes an estimate for all positions GS-2 through GS-9 and certain job specific positions GS-10 through GS-14, in the counties of Suffolk and and New York City, New York.	...	...	634
6. Administratively Uncontrollable Overtime (AUO) P. L. 101-173 increased the limit on AUO payments from 25 percent of a GS-10 step 1 to 25 percent of base compensation. Since most law enforcement agents in the Department are compensated at levels above a GS-10 step 1, this act increases the Department's AUO payments substantially. Total increased costs for the Drug Enforcement Administration are $13,826,000.	...	...	13,826
7. Health Benefits The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1990, the actual contribution to health insurance increased 26 percent. The requested increase of $1,786,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.	...	...	1,786
8. Federal Employees' Compensation Act (FECA) - Workers' Compensation This increase reflects the billing provided by the Department of Labor for the actual costs in 1989 of employees' accident compensation. The 1991 amount will be $5,428,000 or $342,000 over the 1990 base.	...	...	342
9. GSA Rent GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. A mandatory increase of $1,707,000 is required to meet our recurring commitment to GSA.	...	...	1,707

	Pos.	WY	Amount
10. GSA recurring reimbursable services Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard services. An estimated 1.1 percent increase of $69,000 for these services in 1991 over the 1990 charges of $6,273,000 is required.	...	...	$69
11. GPO printing costs The Government Printing Office (GPO) is currently projecting a seven-percent increase over the 1990 printing costs of $472,000. An additional $33,000 will be required in 1991.	...	...	33
12. Employee data and payroll services Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems, maintenance and payroll accounting, are based on the number of employee records maintained. The rate of $188.23 per record in 1990 will be raised to $199.52 per record for 1991. The change is based on anticipated uncontrollable costs increases of 6 percent for the operation of the Justice Employee Data Service. An increase of $56,000 will be required in 1991.	...	...	56
13. Foreign allowances Allowances for Government employees in foreign areas are determined by the Department of State (DOS). The DOS anticipates a 10-percent increase in 1991. The requested increase of $799,000 provides 10-percent more than the $7,990,000 budgeted for 1990.	...	...	799
14. General pricing level adjustments This request applies OMB pricing guidance as of December 6, 1989, to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1991 estimates.	...	...	6,713
Total, mandatory increases	...	165	50,416

Mr. SMITH. We welcome back the Administrator of the DEA, John C. Lawn. I understand that this will be your last appearance before our Committee?

Mr. LAWN. Yes, sir.

Mr. SMITH. I am sorry to hear that you are leaving, but you have to do what you have to do. You have been very cooperative with the Committee, and I think you have had an excellent tenure in this very demanding and important position. Do you have a statement to make?

Mr. LAWN. Yes, sir, I do.

Mr. SMITH. Please proceed.

OPENING STATEMENT

Mr. LAWN. Thank you.

Once again, I am pleased to appear before this Committee in support of the Drug Enforcement Administration's budget request for fiscal year 1991.

Just a few weeks ago, the President returned from an historic meeting in Cartagena, Colombia, where he met with the leaders of all the major drug-producing countries in South America. This meeting was one in a series of extraordinary events that have demonstrated the global commitment to combating the trafficking and use of illicit drugs. These events include the resolve and extreme courage of the Colombian Government in confronting the Medellin Cartel; the arrest of Manuel Noriega; and the conviction of many involved in the murder of DEA Agent Kiki Camarena in Mexico.

Notwithstanding these positive events, and the encouragement they give us, we still see daily the corrosive effects of drug abuse on our entire society at all economic and social levels, from urban inner cities to isolated rural towns. Lives are wasted. Families are destroyed. Children are sacrificed.

The latest Household Survey indicated that the number of persons using cocaine once a week or more from 1985 to 1988 has more than doubled. In our American population over the age of 12, one in every 14 uses an illicit drug at least monthly. Workplace drug abuse by employees costs United States businesses and the economy an estimated $60 billion or more each year.

This chain of abuse is creating a shocking new problem, drug-addicted newborn babies, throughout the entire Nation. For example, over half of the women in the pre-natal program at the District of Columbia's General Hospital in recent months tested positive for drugs. The percentage of children born to drug addicts at the hospital has almost doubled in the past year, and neo-natal units around the city are being swamped with the children of drug addicts. An estimated 375,000 babies were born last year to drug-addicted mothers throughout the United States.

ACCOMPLISHMENTS

In response, we have strengthened our resolve to combat drug trafficking, and we have made progress. Nationwide, DEA's enforcement initiatives once again established record levels for arrests, convictions, and asset seizures.

	Pos.	WY	Amount
Decreases:			
1. Other:			
FTS	...	...	($2,107)
Reduction for Agents & Headquarters	...	...	(167)
2. Nonrecurring costs - Modular	...	...	(12,005)
Equipment, training, & background investigation costs associated with positions requested in 1990			
3. Nonrecurring costs - Special	...	...	(6,605)
Non-personnel equipment, contracting, & training costs requested in 1990 which do not recur in 1991			
Total, decreases	...	...	(20,884)
Total, adjustments to base	...	165	29,532

Drug Enforcement Administration
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grade and salary ranges	19[illegible] Actual		1990 Estimate		1991 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level III, $89,100	1		1		1		...	
Executive Level IV, $83,600	1		1		1		...	
ES-6, $83,600	3		3		3		...	
ES-5, $81,400	7		7		7		...	
ES-4, $79,200	65		65		65		...	
GS/GM-16, $69,451-78,200	8		8		8		...	
GS/GM-15, $59,216-76,982	143		143		143		...	
GS/GM-14, $50,342-65,444	527		527		527		...	
GS/GM-13, $42,601-55,384	1,600		1,383		1,587		183	
GS-12, $35,825-46,571	968		850		1,239		389	
GS-11, $29,891-38,855	470		476		476		...	
GS-10, $27,206-35,369	9		9		9		...	
GS-9, $24,704-32,121	375		375		375		...	
GS-8, $22,367-29,081	110		110		110		...	
GS-7, $20,195-26,252	600		600		600		...	
GS-6, $18,174-23,628	388		284		435		151	
GS-5, $16,305-21,201	371		315		315		...	
GS-4, $14,573-18,947	165		165		165		...	
GS-3, $12,982-16,879	84		84		45		(39)	
Ungraded positions	21		21		21		...	
1991 pay increase	...		...		...	$3,433	...	$3,433
Total, appropriated positions	5,896	$206,426	5,407	$197,222	6,112	233,772	705	36,550
Pay above stated annual rates	...	...	...	...	...	746	...	746
Lapses	(284)	(9,828)	(288)	(10,390)	(495)	(18,993)	(207)	(8,603)
Savings due to lower pay scales for part of year	...	(2,377)	...	(2,145)	...	...	...	2,145
Net full-time permanent	5,612	194,221	5,119	184,687	5,617	215,525	498	30,838

Summary of Requirements by Grade and Object Class, Continued

(Dollars in thousands)

Grade and salary ranges	1989 Actual		1990 Estimate		1991 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Other than permanent:								
Part-time permanent	13	$286	10	$200	10	$200	...	...
Temporary employment	63	1,387	50	1,000	50	1,000	...	...
Other part-time and intermittent employment	24	528	20	400	20	400	...	...
Other personnel compensation:								
Overtime	44	1,050	43	1,063	46	1,178	3	$115
Administratively uncontrollable overtime	811	19,362	682	13,586	753	28,754	71	15,168
Other compensation	80	1,920	72	1,790	80	2,060	8	270
Total, workyears and personnel compensation	6,647	218,754	5,996	202,726	6,576	249,117	580	46,391
Average ES Salary		($79,720)		($79,720)		($79,720)		
Average GS/GM Salary		($35,317)		($36,122)		($37,886)		
Average GS/GM Grade		(10.46)		(10.54)		(10.54)		
Object Class								
11.1 Full-time permanent	5,612	194,221	5,119	184,687	5,617	215,525	498	30,838
11.3 Other than full-time permanent	100	2,201	80	1,600	80	1,600	0	0
11.5 Other personnel compensation	935	22,332	797	16,439	879	31,992	82	15,553
Total	6,647	218,754	5,996	202,726	6,576	249,117	580	46,391

Summary of Requirements by Grade and Object Class, Continued

(Dollars in thousands)

Other objects:	1989 Actual Positions & Workyears	1989 Actual Amount	1990 Estimate Positions & Workyears	1990 Estimate Amount	1991 Estimate Positions & Workyears	1991 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
12 Personnel benefits		$55,018		$74,981		$87,741		$12,760
13 Benefits for former personnel		33		157		157		0
21 Travel and transportation of persons		17,927		25,494		35,989		10,495
22 Transportation of things		3,430		5,689		6,785		1,096
23.1 GSA rent		34,986		34,194		38,643		4,449
23.2 Rental payments to others		2,867		4,995		5,004		9
23.3 Communications, utilities and miscellaneous charges		41,537		36,632		43,066		6,434
24 Printing and reproduction		1,223		1,044		1,100		56
25 Other services		102,541		113,082		123,522		10,440
26 Supplies and materials		18,862		17,207		19,607		2,400
31 Equipment		28,040		47,132		77,144		30,012
32 Lands and Structures		857		...		...		...
41 Grants		...		2,000		12,000		...
42 Insurance claims		136		125		125		...
Total obligations	6,647	526,211	5,996	565,458	6,576	700,000	580	124,542

Summary of Requirements by Grade and Object Class, Continued

(Dollars in thousands)

	1989 Actual		1990 Estimate		1991 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Recovery of prior year obligations		($2,115)		...		...		
Unobligated balance, start of year		(6,599)		($16,749)		...		
Unobligated balance, end of year		16,749		...		...		
Unobligated balance lapsing		204		...		...		
Total Requirement		534,450		548,709		$700,000		
Relation of obligations to outlays:								
Total Obligations		526,211		565,458		700,000		
Reduction of offsetting collections persuant to P.L. 99-177		...		(21)		...		
Obligated balance, start-of-year		108,393		115,944		170,329		
Obligated balance, end-of-year		(115,944)		(170,329)		(243,119)		
Adjustments in expired accounts		(7,258)		...		...		
Adjustments in unexpired accounts		(2,115)		...		...		
Outlays		509,287		511,052		627,210		

NOTE: The other personnel compensation workyears reported here represent recomputations based on actual data contained in DEA's statistical reporting system and end of year data contained in the DOJ position and workyear reporting system. The other personnel compensation workyears reported in the 1991 President's Appendix represented DEA's best estimate at the time that document was prepared.

Drug Enforcement Administration

Salaries and Expenses

Consulting and Related Services
(Dollars in thousands)

	1988 Actual	1989 Actual	1990 Estimate
Consulting Services........................	...	...	...
Management and Professional Studies........	...	...	$162
Special Studies and Analysis...............	...	...	$ 75
Total..................................	...	...	$237

Consulting and related services are used in the Drug Enforcement Administration only for services which cannot be performed in-house. Services are required for the following:

Management and Professional Studies

A contract will be awarded in 1990 to develop observation scales for Special Agent Performance Work Plans. The contract will cost approximately $130,000. The Office of Personnel is requesting the study; however, it will benefit all Special Agents.

A contract will be awarded in 1990 for consulting services for international students. The contract will cost approximately $32,000. This contract is requested by the Office of Training and will also benefit DEA's foreign counterparts that attend drug law enforcement training.

Special Studies and Analysis

A contract will be awarded in 1990 for consulting services for a DEA Threat Analysis. The contract will cost approximately $75,000. This contract is requested by the Office of Investigative Support.

In 1989, DEA arrested 25,618 violators, an increase of 6.8 percent from the prior year. Convictions totalled 15,492, an increase of 18.2 percent over 1988. Further, the value of assets seized by DEA nearly doubled to $976 million in 1989, a 46 percent increase over 1988.

COMMITMENT TO GROWTH

At the same time, DEA's cost of doing business has steadily increased over the past few years. The level of demand and degree of sophistication required of our operations has also grown tremendously. The result is that although the agency has received resource enhancements, DEA has been unable to keep pace with the major drug trafficking organizations in operation today.

DEA is still a small agency with an extremely large and important mission. Throughout the last decade, DEA has stated that long-term success against drug trafficking and abuse requires a sustained commitment to the steady growth and modernization of the agency. Given the dynamic environment within which drug law enforcement must operate, growth and modernization of the agency are critical components of a comprehensive drug strategy. DEA has planned for this growth by considering all core needs as well as technical and administrative support requirements.

1991 BUDGET REQUEST

The President's 1991 budget currently before you provides the groundwork for this effort. This budget contains the largest program increase in DEA history. It includes program enhancements of 744 positions and $121.9 million in direct funds as well as a net program increase of 126 positions and $20.5 million in reimbursable funds for DEA's participation in the Organized Crime Drug Enforcement (OCDE) task force program. All together, these enhancements provide an additional 501 Special Agents for drug law enforcement. DEA's request is divided into three basic funding initiatives.

The first is to expand all facets of DEA's investigative and administrative support infrastructure. DEA requests 121 positions and $46 million to ensure that the agency can provide adequate and responsive support to DEA's investigative operations.

As the size of DEA's agent staffing has increased, the workload for professional, administrative and technical support has increased simultaneously. To keep up with the workload demands, agents and other core personnel have had to assume many collateral administrative duties that do not fully utilize their talents and, more importantly, take them away from their primary investigative tasks. The DEA cannot operate at its most effective level without adequate infrastructure support. This funding initiative seeks to alleviate these fundamental needs created by rapid growth in the enforcement programs. In addition, this initiative includes funding for the construction of a new aviation facility, authorized in the Anti-Drug Abuse Act of 1988.

The second initiative addresses DEA's primary investigative mission and the resource requirements of the enforcement program. DEA requests 601 positions and $71.1 million to target and immobilize major trafficking organizations.

This initiative includes a request for 366 Special Agents. Of this amount, 300 Special Agents are requested for priority domestic drug trafficking areas. DEA has categorized its domestic divisions into three levels with regard to the drug threat they represent and has developed staggered resource requirements based on this classification. Accordingly, the highest category of need includes five major cities: Houston, Los Angeles, Miami, New York and San Diego—as part of the Southwest border—that have also been identified as High Intensity Drug Trafficking Areas by the Office of National Drug Control Policy. Ten divisions in the second level of need also will receive additional Special Agent resources. The remaining Agents will be assigned to nine new State and local task forces, and to Special Enforcement Operations. In addition, this initiative includes enhancements to fight against the production of illicit drugs through DEA's domestic cannabis eradication and chemical control programs. The Department's Consolidated Organized Crime Drug Enforcement budget request will also provide a net increase of 93 DEA Special Agents who will be dedicated to major investigations throughout the country. Furthermore, this initiative includes an increase of 54 intelligence analysts to support DEA Agents and other investigative personnel.

The third and final initiative is the expansion of DEA's foreign drug suppression and enforcement program. This initiative includes 22 positions, 18 of whom are Special Agents, and $4.9 million.

International drug control remains a major issue of concern to DEA. Foreign countries are the principal producers of the cocaine, heroin and marijuana consumed in the United States. Recent intelligence estimates indicate that marijuana and opium cultivation has increased substantially in Mexico. The number of hectares of coca currently in South America point to a banner cocaine production year. Southeast Asia is also realizing an alarmingly substantial increase in opium cultivation. The enhancement for DEA's international efforts seeks the establishment of a new office in Salta, Argentina, and staffing increases in 13 existing offices around the world.

COOPERATIVE EFFORTS

The resources in this request will lead to additional statistical validation of DEA's accomplishments. But often it is those accomplishments that cannot be measured by numbers that have the greatest impact. For example, through DEA's active international agenda in 1989, the International Drug Enforcement Conference, IDEC, once again served as a catalyst for close cooperation between 20 countries in North, Central and South America. Simultaneous enforcement operations conducted in all 20 countries effectively squeezed trafficking networks throughout the Americas. In addition, DEA now has entered into Memoranda of Understanding with the Soviet Union and Laos which we hope will have a marked impact on drug trafficking in those areas of the world.

DEA has coordinated extensively with the Office of National Drug Control Policy in the development and implementation of the Administration's National Drug Control Strategy. DEA is fully committed to achieving its share of the challenging goals outlined in the strategy and in coordinating its activities with all others involved in the national drug control effort.

DEA's enforcement achievements in our Nation's efforts to reduce drug trafficking and abuse continue; however, drug abuse remains a critical problem of enormous global dimensions. This underscores our belief that enforcement is only one part—albeit an essential one—of a multi-faceted strategy.

DEMAND REDUCTION

One of the programs that we at DEA feel strongly about is Demand Reduction. DEA has been successful in spreading the anti-drug message to youth, sporting, and educational groups. In 1989, DEA conducted drug education workshops, seminars, and clinics throughout the country to more than 700 high school coaches, counselors, and school administrators. More than 200,000 young persons attended Sports Drug Awareness presentations.

REQUEST FOR SUPPORT

We are making progress in the war on drugs. However, we at DEA recognize, probably better than most others, just how much more remains to be done. With our 1991 enhancement, DEA's budget will total $700 million, approximately 0.05 percent of the proposed Federal budget. We know that we can make a difference. We know that we have made a difference. Our agents are a highly motivated and skilled group of dedicated professionals who have clearly demonstrated their effectiveness and want to do more to win the fight against drug traffickers. An investment in DEA will be money well spent.

The recent and tragic deaths of DEA Special Agents Everett Hatcher in New York and Rick Finley in Bolivia attest to the risks and sacrifices DEA faces daily. Their deaths will not be in vain, nor will the efforts of DEA personnel worldwide. DEA will continue to fight; however, the degree of success is greatly dependent on your support.

Mr. Chairman, I appreciate your giving me the opportunity to make this statement. I will now be happy to answer any questions.

[Mr. Lawn's prepared statement and Mr. Burke's biography follow:]

DEPARTMENT OF JUSTICE
DRUG ENFORCEMENT ADMINISTRATION

STATEMENT OF THE ADMINISTRATOR
JOHN C. LAWN
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you today in support of the Drug Enforcement Administration's budget request for fiscal year 1991.

Just a few weeks ago, the President returned from a historic meeting in Cartagena, Colombia, where he met with the leaders of all the major drug producing countries in South America. This meeting was one in a series of extraordinary events that have demonstrated the global commitment to combating the trafficking and use of illicit drugs. These events include the resolve and extreme courage of the Colombian government in confronting the Medellin Cartel; the arrest of Manuel Noriega; and the conviction of many involved in the murder of DEA Agent Kiki Camarena.

Notwithstanding these positive events, and the encouragement they give us, we still see daily the corrosive effects of drug abuse on our entire society--at all economic and social levels, from urban inner-cities to isolated rural towns.

Lives are wasted. Families are destroyed. Children are sacrificed.

The latest Household Survey indicated that the number of persons using cocaine once a week or more from 1985 to 1988 doubled. In our American population over the age of 12, 1 in every 14 uses an illicit drug at least monthly.

Workplace drug abuse by employees costs United States businesses and the economy an estimated $60 billion or more each year.

This chain of abuse is creating a shocking new problem--drug-addicted newborn babies--for the entire Nation. For example, over half of the women in the pre-natal program at the District of Columbia's General Hospital in recent months tested positive for drugs. The percentage of children born to drug addicts at the hospital has almost doubled in the last year, and neo-natal units around the city are being swamped with the children of drug addicts. An estimated 375,000 babies were born last year to drug-addicted mothers in the United States.

ACCOMPLISHMENTS

In response, we have strengthened our resolve to combat drug trafficking, and we have made progress. Nationwide, DEA's enforcement initiatives once again established record levels for arrests, convictions, and asset seizures. In 1989, DEA arrested 25,618 violators, an increase of 6.8 percent from the previous year. Convictions totalled 15,492, an increase of 18.2 percent over 1988. Further, the value of assets seized by DEA nearly doubled to $976 million in 1989, a 45.6 percent increase over 1988.

COMMITMENT TO GROWTH

At the same time, DEA's cost of doing business has steadily increased over the past few years. The level of demand and degree of sophistication required of our operations has also grown tremendously. The result is that although the agency has received resource enhancements, DEA has been unable to keep pace with the major drug trafficking organizations in operation today.

DEA is still a small agency with an extremely large and important mission. Throughout the last decade, DEA has stated that long-term success against drug trafficking and abuse requires a sustained commitment to the steady growth and modernization of the agency. Given the dynamic environment within which drug law enforcement must operate, growth and modernization of the agency are critical components of a comprehensive drug strategy. DEA has planned for this growth by considering all core needs as well as technical and administrative support requirements.

1991 BUDGET REQUEST

The President's 1991 budget currently before you provides the groundwork for this effort. This budget contains the largest program increase in DEA history. It includes program enhancements of 744 positions and $121.9 million in direct funds as well as a net program increase of 126 positions and $20.5 million in reimbursable funds for DEA's participation in the Organized Crime Drug Enforcement (OCDE) task force program. All together, these enhancements provide an additional 501 Special Agents for drug law enforcement. DEA's request is divided into three basic funding initiatives, which I will describe briefly.

The first is to expand all facets of DEA's investigative and administrative support infrastructure. DEA requests 121 positions and $46.0 million to ensure that the agency can provide adequate and responsive support to DEA's investigative operations.

As the size of DEA's agent staffing has increased, the workload for professional, administrative, and technical support has increased simultaneously. To keep up with the workload demands, agents and other core personnel have had to assume many collateral administrative duties that do not fully utilize their talents and, more importantly, take them away from the primary investigative tasks. The agency cannot operate at its most effective level without adequate infrastructure support. This funding initiative seeks to alleviate these fundamental needs created by rapid growth in the enforcement program.

In addition, this initiative includes funding for the construction of a new aviation facility, authorized in the Anti-Drug Abuse Act of 1988.

The second initiative addresses DEA's primary investigative mission and the resource requirements of the enforcement programs. DEA requests 601 positions and $71.1 million to target and immobilize major trafficking organizations.

This initiative includes a request for 366 Special Agents. Of this amount, 300 Special Agents are requested for priority domestic drug trafficking areas. DEA has categorized it's domestic divisions into three levels with regard to the drug threat they represent and has developed staggered resource requirements based on this classification. Accordingly, the highest category of need includes the five cities--Houston, Los Angeles, Miami, New York, and San Diego (as part of the Southwest border)--that have also been identified as High Intensity Drug Trafficking Areas by the Office of National Drug Control Policy. Ten divisions in the second level of need also will receive additional Special Agent resources. The remaining Agents will be assigned to nine new State and local task forces, and to Special Enforcement Operations. In addition, this initiative includes enhancements to fight against the production of illicit drugs through DEA's domestic cannabis eradication and chemical control programs The Department's Consolidated Organized Crime Drug Enforcement budget request will also provide a net increase of 93

DEA Special Agents that will be dedicated to major investigations throughout the country.

Furthermore, this initiative includes an increase of 54 intelligence analysts to support Agents and other investigative personnel.

The third initiative is the expansion of DEA's foreign drug suppression and enforcement program. This initiative includes 22 positions and $4.9 million.

International drug control remains a major issue of concern to DEA. Foreign countries are the principal producers of the cocaine, heroin, and marijuana consumed in the United States. Recent intelligence estimates indicate that marijuana and opium cultivation is up substantially in Mexico. The number of hectares of coca currently under cultivation in South America point to a banner cocaine production year. Southeast Asia is also realizing an alarmingly substantial increase in opium cultivation. The enhancement for DEA's international efforts seeks the establishment of a new office in Salta, Argentina, and staffing increases for 13 existing offices around the world.

COOPERATIVE EFFORTS

The resources in this request will lead to additional statistical validation of DEA's accomplishments. But often it is those accomplishments that cannot be measured by numbers that have the greatest impact. For example, through DEA's active international agenda in 1989, the International Enforcement Conference (IDEC) once again served as a catalyst for close cooperation between 20 countries in North, Central, and South America. Simultaneous enforcement operations conducted in all 20 countries effectively squeezed trafficking networks throughout the Americas. In addition, DEA now has entered into Memoranda of Understanding with the Soviet Union and Laos which we hope will have a marked impact on drug trafficking in those areas of the world.

DEA has coordinated extensively with the Office of National Drug Control Policy in the development and implementation of the Administration's National Drug Control Strategy. DEA is fully committed to achieving its share of the challenging goals outlined in the Strategy and in coordinating its activities with all others involved in national drug control effort.

DEA's enforcement achievements in our Nation's efforts to reduce drug trafficking and abuse continue; however, drug abuse remains a critical problem of enormous global dimensions. This underscores our belief that enforcement is only one part--albeit an essential one--of a multi-faceted strategy.

DEMAND REDUCTION

One of the programs that we at DEA feel strongly about is Demand Reduction. DEA has been successful in spreading the anti-drug message to youth, sporting, and educational groups. In 1989, DEA conducted drug education workshops, seminars, and clinics throughout the country to more than 700 high school coaches, counselors, and school administrators. More than 200,000 children attended Sports Drug Awareness presentations.

REQUEST FOR SUPPORT

We are making progress in the war on drugs. However, we at DEA recognize, probably better than anyone else, just how much more remains to be done. With our 1991 enhancement, DEA's budget will total $700 million--approximately 0.05 percent of the proposed Federal budget. We know that we can make a difference. Our agents are a highly motivated and skilled group of dedicated professionals who have clearly demonstrated this effectiveness and want to do more to win the fight against drug traffickers. An investment in DEA will be money will spent.

The recent and tragic deaths of DEA Special Agents Hatcher in New York and Finley in Bolivia attest to the risks and sacrifices DEA faces daily. Their deaths will not be in vain--nor will the efforts of DEA personnel worldwide. DEA will continue to fight; however, the degree of success is greatly dependent on your support.

Mr. Chairman, I appreciate this opportunity to discuss DEA's budget request and would be pleased to answer any questions you and the other Members may have.

Terrence M. Burke, Acting Deputy Administrator, Drug Enforcement Administration

Terrence M. Burke was designated the Acting Deputy Administrator of the Drug Enforcement Administration by Attorney General Dick Thornburgh on October 11, 1989. As such he directs the overall day to day management of the Drug Enforcement Administration.

Prior to his present assignment, Mr. Burke was the Deputy Assistant Administrator for Operations, directing the day to day enforcement and intelligence operations of the agency worldwide. From 1985 to 1986, he was the Special Agent in Charge of the DEA Phoenix Division.

Mr. Burke's 30 years of Federal service have included foreign assignments in Italy, Laos, Thailand, the Philippines, Afghanistan and the Netherlands. He has also served in Washington, D.C., Denver, and Miami.

From 1960–1970, Mr. Burke was employed by the Central Intelligence Agency where he was awarded the Intelligence Star of Valor, the civilian equivalent of the Medal of Honor. Prior to that, he served for three years in the United States Marine Corps.

1991 REQUEST

Mr. **Smith**. You are asking for $700 million for 1991.

Mr. **Lawn**. Yes, sir.

Mr. **Smith**. What was your original request to the Department?

Mr. **Lawn**. Our original request to the Department Resources Board was about that number. The Department Resources Board was most generous in their support.

Mr. **Smith**. You say about that number?

Mr. **Lawn**. I don't know exactly, but it was close.

Mr. **Smith**. Nothing that you feel is really essential was cut out, then? Or is there something you feel you really need to do that is not included in the $700 million?

Mr. **Lawn**. No, sir. Based upon my many years in speaking before the Department Resources Board and OMB, they understand that I try not to balloon any requests in anticipation that there will be cuts. I ask for what I believe I need, and in this case, both the Department and OMB agreed to those needs.

GRAMM-RUDMAN-HOLLINGS SEQUESTRATION

Mr. **Smith**. What was your sequestration?

Mr. **Lawn**. Our sequestration was $7.8 million.

Mr. **Smith**. How did you handle that?

Mr. **Lawn**. We took cuts in all our programs short of salaries. We reduced our programs by about 2.8 percent. It certainly had a short-term impact on us. We were unable to do some things in the technical support and ADP areas. But we did not affect any of our salaries.

Mr. **Smith**. You delayed the implementation of ADP?

Mr. **Lawn**. Yes, we delayed the implementation of ADP and the training of some of our new agents. We also delayed the purchase of technical equipment.

ADMINISTRATIVELY UNCONTROLLABLE OVERTIME

Mr. **Smith**. How did you handle administratively uncontrollable overtime (AUO)?

Mr. **Lawn**. Administrative overtime will be funded by deferring support requirements, like equipment, for new agents until 1992.

Mr. **Smith**. How much did that amount to?

Mr. LAWN. Just over $13 million. Next year, it will be a greater problem because our total budget is more than 65 percent fixed expenses, like rent and the rest. So, in fact, we have an operating budget of just 35 percent of the total budget.

Mr. SMITH. You say you have a 20-percent increase, and that is over a base that included the reduction of $13 million for AUO plus the sequestration of $7.8 million?

Mr. LAWN. Yes, sir.

Mr. SMITH. So, compared to your appropriation for 1990, and the program you originally intended—it is still an increase, but it is nowhere near your 20 percent?

Mr. LAWN. Yes, sir.

DEA AUDIT

Mr. SMITH. Tell us about the recent audit.

Mr. LAWN. Yes, sir, I will be delighted to talk about the audit. I think it is unfortunate that a reporter who lacked either the integrity to find out what the story was or the initiative to research a little further, would talk about an audit in terms of there being waste and fraud in the Drug Enforcement Administration.

Point of fact: In 1988, the Audit Staff from the Department of Justice came to conduct a routine audit. As you know, throughout DEA and other organizations, there is an audit team. In our case, we call it the Inspection Staff, that audits all of our functions. We have asked, in areas where our inspection team doesn't have the expertise, for other experts to audit and to give DEA management their assessment as to the effectiveness or lack thereof of certain programs.

We have had individuals in from the Intelligence Community to review how we deal with intelligence. We currently have individuals, military officers, in to review our long-range planning procedures.

In the case of this audit, it began in 1988. The audit team, because of other priorities, left the audit unfinished. We then asked the Department to continue the audit through their management procurement team. The management procurement team came over and finished the audit.

The results paralleled the initial results of the IG audit, and that is that there are some 13 recommendations for us to tighten up our procedures. Since that time, we have sent our responses and have tightened up those procedures in 12 of the 13 areas; the 13th, we are working on.

The criticism was that we didn't use low bids in making some purchases. One of the areas that is of particular concern to us is clandestine labs in the United States. Because of the language of NEPA, the National Environmental Protection Act, when we seize a clandestine laboratory and seize the chemicals in that laboratory, we become the generator of toxic waste.

It is our responsibility to be accountable for the waste seized over the foreseeable future since we are the first legitimate people involved in the seizure.

There is no national contract for waste disposal, because no one wants to bid on a national contract to destroy these chemicals. We instructed our offices to negotiate purchase orders with companies at the local level to destroy those chemicals on a case-by-case basis. This was one of the areas where they said we didn't go with the open market, low-bid contract.

CRITICISMS OF PROCUREMENT PROCEDURE

Mr. **Smith**. Before you leave that issue, is there competition in that area? Could you have competed that contract?

Mr. **Lawn**. No, sir. At this point, we still don't have a national contract, because chemical companies don't want to share the responsibility for becoming a generator of toxic waste. A week ago, I spoke to the Chemical Manufacturers Association, who suffer the same reality. Now, we are in the process of negotiating 12 separate contracts throughout the country to destroy those chemicals which are seized. But there is no national contract.

In another area, there was a GSA contract to repair our radio systems. The GSA contract ran out, which required that we negotiate with the company to repair our radios. We, in fact, negotiated with that company to repair our radios at a cheaper price than what we were charged under the GSA contract.

The auditors said that had we not had the GSA contract, we probably could have saved more money using our own contract. That was hindsight, but there was a GSA national contract, and we did what we were supposed to do by following it.

I guess the auditors felt if we didn't abide by the national contract, we could have saved money.

In another area, with increased activities in South America, we found our agents who were in the jungle were in great jeopardy because they had no capability of maintaining contact with the organization.

We went to the military for assistance. The military told us that if we could buy a piece of equipment that was compatible with their satellites, we could distribute this equipment to our agents in the jungles so that, on a real-time basis, they could type messages into a machine, and we would receive whatever message they had to send at the El Paso Intelligence Center and at our headquarters.

There was no private sector company that was interested in making three or four of these pieces of equipment, so in fact, we went out under a special contract to purchase that equipment in order to protect our personnel in South America.

Certainly, we could have negotiated. But in that case, I thought the jeopardy that the agents were facing in South America was more critical than waiting two years to get the equipment which was required to keep the agents safe.

Mr. **Smith**. The process takes two years?

Mr. **Lawn**. I would say yes, sir, two years is a very conservative figure if we go through the full contracting process. As a growing organization, our personnel have had to go from being generalists to specialists. Where there were problems and indeed, there were administrative problems in handling some of these contracts, those have been corrected or are in the process of being corrected.

This is what an audit function is all about. If I send my inspectors out to inspect a given office, and they come back and tell me there are no flaws in the running of that office, then I change my inspectors. While we try to do a good job, I think we might lack perfection. We lack perfection in the contracting area.

But where there were problems, many were problems created because of an exigent need of our personnel.

Another area was language capability. In 1988, we finally received approval for a major enforcement activity in Latin America known as Operation SNOWCAP. This required immediate language training for the volunteers who wanted to participate in SNOWCAP.

We had to get that language training done quickly, because it serves no purpose to send an experienced agent to a foreign country unless he can converse with the local police in that country. We negotiated a special contract for language training as an exigent circumstance.

Since 1988, we have an agreement with the Army Language School in Monterey, California. So again, we had the exigent need. We responded to that exigent need while we pursued the procedures for getting a long-term contract.

CHANGE IN DEA PROCEDURES

Mr. SMITH. Have you changed your internal rules or regulations?

Mr. LAWN. Yes, sir, we have.

Mr. SMITH. In which regards?

Mr. LAWN. Any contracts in excess of $25,000 must be approved at the headquarters level by both the Contracting Officer and Chief Counsel. All contracts in excess of $100,000 are approved by the Department of Justice.

NEW DRUG INTELLIGENCE CENTER

Mr. SMITH. Now, the Drug Czar proposed a new Drug Intelligence Center. How do you see that?

Mr. LAWN. We feel very strongly that a new strategic drug center is necessary. We have the military very actively involved in this war. We have the intelligence community actively involved because of the National Security Directive.

We have a need for strategic intelligence. We must be able to gather the intelligence from all of those components for strategic purposes.

Mr. SMITH. Have the various intelligence agencies been cooperating with you?

Mr. LAWN. Yes, sir. It has taken some time for us to clear areas where there have been problems. The Intelligence Community is most concerned about sources and methods. So, it has been a long process.

Mr. SMITH. Do you think they are really sharing all the intelligence they should be sharing?

Mr. LAWN. I believe they are sharing the intelligence that they can share, yes, sir. We have DEA personnel assigned to the CIA intelligence center in Langley, and we have CIA personnel assigned on a full-time basis to DEA headquarters.

Mr. SMITH. This has improved a lot in the last year?

Mr. **Lawn**. Yes, sir, immeasurably in the last year. Now, we would like to have all of our components working together, with representatives located in a common center. For example, if a priority of DEA's is heroin coming from Southeast Asia, if we were in one center we could ask all of those components to go back and target their intelligence-gathering on the heroin problem in Southeast Asia.

Mr. **Smith**. I understand the need for protecting sources, but some of these agencies were overprotective, weren't they, of intelligence they had?

Mr. **Lawn**. I would say yes, sir.

Mr. **Smith**. But you think that has been remedied?

Mr. **Lawn**. Yes, sir. I have worked very closely with the CIA and with the National Security Council.

Mr. **Smith**. If that has been remedied, why do they need this new intelligence center?

Mr. **Lawn**. As I say, we want representatives from each of these areas to be in a common setting so that in reviewing intelligence needs, we can be in a better position to share those needs.

Mr. **Smith**. You mean be able to speed up the dissemination of intelligence?

Mr. **Lawn**. Clearly, yes, sir.

EL PASO INTELLIGENCE CENTER

Mr. **Smith**. Well, what about—EPIC?

Mr. **Lawn**. The El Paso Intelligence Center was created for tactical interdiction intelligence.

Mr. **Smith**. It is not quite satisfactory to handle this problem?

Mr. **Lawn**. It is a different type of intelligence, sir. EPIC is predominantly looking at the interdiction efforts, guns, aliens, as well as drugs entering our country.

Mr. **Smith**. You don't think that the new Drug Intelligence Center and EPIC can be combined?

Mr. **Lawn**. One of the proposals, sir, was that they could be in the same general area; however, the missions are a little different, strategic intelligence being a little different from interdiction intelligence. My sense is that it doesn't overlap.

Mr. **Smith**. Mr. Rogers.

COST AND STAFFING OF THE DRUG INTELLIGENCE CENTER

Mr. **Rogers**. Thank you, Mr. Chairman.

Mr. Lawn, good to see you again. You are getting an increase, if approved, of $151.3 million. That will take you up to $700 million. That is a whale of an increase, of course, for a whale of a responsibility that you have.

Let me follow up briefly on the proposed Drug Intelligence Center. What would be the cost of the center, your portion of it? That is not in your request, is it?

Mr. **Lawn**. No, sir.

Mr. **Rogers**. Is it being handled by the Office of National Drug Control Policy?

Mr. **Burke**. Yes. I might add, the Department of Justice right now has a team that is surveying the needs of an entire community in the development of that center. Some of these resources, intelligence analyst positions and so forth, on the strategic side of the house in DEA's request would be dedicated to that center.

There is input from DEA's budget into that center for staffing, but not in a defined manner at this time, because the numbers have not been worked out yet.

Mr. **Rogers**. Well, DEA has its own system already, and there has been some criticism that DEA was really incapable of donating assets, intelligence assets to a pool, because all of your information is in investigative files, all on paper, not automated and, therefore, not available for entry into a standardized computer base.

Is that a generally accurate statement?

Mr. **Lawn**. No, sir. It is accurate that as far as our intelligence analysts are concerned, we have a critical shortfall. Historically, an agent-analyst ratio might be 1 to 10, one analyst for every 10 Special Agents. Because our budget enhancements have been in Special Agent categories, that ratio was not continued.

The ratio of Special Agent to intelligence analysts prior to the 1990 budget was perhaps 1 to 21. We do not have the personnel to send to another center. As far as our own intelligence is concerned, it is a computerized index system with substantive case files as backup.

INTER-AGENCY AUTOMATED DATA BASE

Mr. **Rogers**. Would there be any difficulty, technically, to link your system up with a multi-agency system?

Mr. **Lawn**. I am not a computer expert. I am sure that aside from the legal problems, it could be done, yes, sir.

Mr. **Rogers**. Legal problems?

Mr. **Lawn**. Yes, sir, because these are law enforcement records they must be shared only in the law enforcement environment. So, while many individuals would have an interest in looking at information in our files, there is a legal prohibition against sharing that information.

Mr. **Rogers**. Assumedly, the National Drug Intelligence Center would have proper clearances to receive your inflow?

Mr. **Lawn**. Yes, sir.

Mr. **Rogers**. Do you see any problem there?

Mr. **Lawn**. No, sir.

Mr. **Rogers**. And you are enthusiastic about doing it?

Mr. **Lawn**. Yes, sir.

Mr. **Rogers**. And receiving inflow from other agencies that would be helpful in your quests?

Mr. **Lawn**. Yes, sir.

Mr. **Rogers**. It seems to me that it has to be done, for DEA, the FBI and other agencies. The FBI has a system with which you are surely aware, and that I have had a chance to observe. I have not seen yours, but I am sure it is equally as good. It is foolish not to link these sources together.

Mr. **Lawn**. Yes, sir. We have asked the FBI over the last few years to link up the systems, and the FBI has no interest in doing that.

Mr. Burke. I might be able to clarify one thing. The strategic center will be taking information that is coming in on production and major trafficking patterns throughout the world in a strategic sense—an overall macro sense, if you would.

What our files basically are being used for are criminal investigations. The strategic center will bring in new information. Our computerized index system would be able to handle that information.

So, we will be able to relate to a strategic center in the sense that the information would be on line. We are talking about information that is not directly investigative-related. It may be some time down the line before our system and the strategic center can be merged.

I think there is a compatability there. Regarding the FBI data base, they did establish their system, but we brought them over to DEA over a year ago. They spent close to a year taking all the information from our files on the two major Colombian cartels, the Cali Cartel and the Medellin Cartel, and putting it into their system. Their data base is primarily what they were able to draw out of our computer system and file system. That, with what limited information they had of their own on the cartels, is the data base which they are now showing.

Mr. Rogers. Well, on this subcommittee, which funds both of those agencies, we don't care whose tool is being played with. We want that information in one place. If we need to tell the FBI that, so be it. But we will not tolerate any divisions on this war. We can't afford to squabble among ourselves when we have the wolf at the door.

I may be preaching to the wrong people here, but others may hear. If we find out that there is some sort of reticence on anybody's part, wherever that may be, to pitch into a common system, they will pay a price.

HIGH-INTENSITY DRUG TRAFFICKING AREAS

Let me switch gears now a bit. You have designated high-intensity drug trafficking areas, apparently where the concentration of distribution and importation is greatest.

That is where you are going to put your agents. I wonder how you arrived at those six areas.

Mr. Lawn. The High-Intensity areas are the areas where the trafficking networks have been established. Those five areas, New York, Miami, Houston, San Diego and Los Angeles, are also areas that have been reviewed by Mr. Bennett and his staff, who concur that these are the High-Intensity Drug Trafficking Areas. It is in those areas that we intend to, with the approval of this budget, place two groups in each one of those five areas, two groups of 15 agents per group, to address the drug problem.

Mr. Rogers. Give us a thumbnail sketch within the confines of a public hearing of what that would amount to.

Mr. Lawn. In terms of our enforcement activity, it will give us 150 additional agents in those areas with the wherewithal to put greater enforcement pressure against the major cartels. This will include greater utilization of Title IIIs, surveillances, informant techniques, and enforcement techniques which are required to dismantle major organizations within those areas.

Mr. Rogers. And how will you handle the normal jealousies between agencies in those high-intensity areas you are going to now?

Mr. Lawn. We don't see normal jealousies between or among agencies. I think that there is a great deal of rhetoric about battles between agencies, but I think that is history.

I believe there is a recognition certainly in the Department of Justice, and my sense is with Mr. Bennett's efforts, there are minimal turf issues and maximum professional pride.

But, I don't sense the same turf issues that we saw in years past.

FUTURE OF DEA IN THE DRUG WAR

Mr. Regula. In your statement, you mentioned your belief that any sustained success in the drug war requires a sustained commitment.

Mr. Lawn. Yes, sir.

Mr. Regula. What kind of direction would you like to see the DEA take after you leave, and over the years; your vision of where it should be going?

Mr. Lawn. Well, at the current time, about 65 percent of our investigative resources are attacking the cocaine problem. Mr. Burke and I have talked about the growing phenomenon of the problems in Southeast Asia. Over the past two years, we have initiated several Special Enforcement Operations to prepare us to attack the problems with the increasing cultivation of opium and the increasing availability of heroin.

That is one area where we see that we must expand in order to continue to be reactive. At the same time, as we point out in this budget, we as a country must do a better job on the domestic eradication of marijuana. We have great difficulty in encouraging foreign source countries, marijuana source countries, to do a better job when we produce 25 percent of the marijuana consumed in the United States.

At the same time, we have a clandestine lab problem. If we miraculously could eliminate the importation of cocaine and heroin into our society, we have the wherewithal in our own clandestine labs to satisfy every illicit drug addict.

So, those are areas where we are going to have to concentrate over the next five years.

HEROIN USAGE

Mr. Regula. Do you see heroin making a comeback in its use in this country?

Mr. Lawn. Yes, sir, I do. And unfortunately. I hope my prognostication is not a good one. We are concerned that in the future, we may see the smoking of heroin. We are the only society in the world that doesn't smoke heroin. We inject it.

With the concern about the spread of AIDS, we are now seeing limited quantities of smokable heroin entering the United States. There is a world glut of opium. There are some 300 metric tons of heroin available in the world market. The purity of the heroin seized is startling. Where in years past, seizures made on the street might have been 3 or 5 percent purity, now we are seeing heroin purity levels of 38, 40 percent, 50 percent in our cities.

We are most concerned about the heroin situation, and the growth of the heroin addict population.

DRUG DISTRIBUTION SYSTEM

Mr. **Rogers**. Let me ask you about the distribution system. Are we seeing the advent of the so-called Asian Mafia in this country?

Mr. **Lawn**. Yes, sir. We have seen a complete change in the distribution networks of heroin, specifically in the Northeast of our country. Where in times past, the distributors were the members of traditional organized crime, La Costa Nostra, now we see the heroin networks are made up of Asian organized crime figures.

Point of fact: The LCN in New York and in the Northeast are increasingly buying from these organizations rather than distributing through their own networks as they had once done.

Mr. **Rogers**. Does that include cocaine?

Mr. **Lawn**. To a much lesser degree, cocaine, because the cartels, the Cali Cartel and the Medellin Cartel, have a very good fix on cocaine. Unfortunately, the European Community is now receiving the brunt of the increased cultivation of coca from Latin America.

In each country in Western Europe, there is more cocaine seized and there are more arrests for cocaine than heroin. There was a recent seizure in The Hague of 3,000 kilos of cocaine. This is in a society that purports not to have a drug problem.

GANG INVOLVEMENT IN DRUG TRAFFICKING

Mr. **Rogers**. Where are the so-called Asian gangs headquartered? Where do they operate out of?

Mr. **Lawn**. The major area, of course, is Burma. Approximately, 45 percent of the heroin in the United States comes from Southeast Asia, from Burma, through Thailand, through the People's Republic of China, through Hong Kong, and into the United States.

Mr. **Rogers**. Where are the brains behind that?

Mr. **Lawn**. The predominant force behind Southeast Asia heroin is a man called Chaing Chi Fu, known as Khun Sa, head of the Shan Army in Burma. I can expand upon that a little more in closed session.

Mr. **Burke**. There is a new emerging gang ironically in New York City in Chinatown that has even the dreaded TRIAD groups afraid. It is called "Born to Kill," BTK. It is made up, according to a New York Times article, primarily of North Vietnamese who have settled in the Chinatown area. They are getting very much into the drug trafficking, particularly the heroin trafficking, and taking over from what has been predominantly the Chinese-organized part of New York City.

GENERAL COMMENTS

Mr. **Rogers**. Well, I think I can deal with the rest of my questions in closed session. Let me say this in closing, Mr. Lawn, it has been a long, tough road. You brought this agency a long way in your tenure, and you have done a superb job, in my opinion, in the worst possible atmosphere in this country, during an increasing demand of drugs.

Your agency has made tremendous strides in trying to cut off the supply, making record seizures every day, I guess. Yet, we are not seeming to whip the problem, though the statistics are indicating that the peripheral user is diminishing, and that we are getting down to the hard core user. At least it looks like we are making some progress in one arena there.

You are going to be leaving us, I guess, after next week.

Mr. LAWN. Yes, sir.

Mr. ROGERS. Next week is your last week. We bid you a fond farewell and good luck. You have been called to the big leagues, I understand.

Mr. LAWN. The oldest rookie in the big leagues.

Mr. ROGERS. So you are going from the Bush leagues to the big leagues.

Mr. LAWN. Thank you very much for those comments, sir. Unfortunately, I won't be leaving, declaring victory, but I do have a sense that the resolve with the American people and this Congress will result ultimately in that victory.

Perhaps I will come back for the victory parade.

Mr. ROGERS. We hope you do. Thank you.

DEMAND REDUCTION THROUGH EDUCATION

Mr. SMITH. Mr. Regula.

Mr. REGULA. Thank you, Mr. Chairman, a couple of questions.

You talk about demand reduction in your statement. You say you have been successful in spreading the message. It seems to me this is where we have to make some gains, because no matter how hard you work at interception, as long as there is a demand, money to be made, somebody will try to satisfy it.

Since you are leaving, what is your thinking as to what more can be done on the demand reduction side?

Mr. LAWN. Well, sir, we began our demand reduction program, through no wisdom of ours. A high school coach in the District of Columbia came to us and said that he was the father figure to some youngsters who continually asked why not marijuana, why not heroin, why not PCP? He said if he had those answers, he may be able to help one or two young people a year. We took that request to the National High School Coaches Association, and thereby in 1984 began our program.

Very recently, we brought together the service groups to meet with Congress. Each of the service groups, the Rotary, the Lions, the Kiwanis Clubs, were trying to contribute somehow, but there was no national strategy for them.

We tried to get them together to give them a picture of what they could do as a unified army instead of as a separate strike force. Those types of things, I think, are critically important. We have, over the years, been most anxious to get the churches involved. Unfortunately, they have been reluctant participants in this matter. More has to be done in that regard.

The Attorney General has said many times that if, in spite of the heroic efforts of law enforcement, if we want to lose the war, leave it to law enforcement alone. Law enforcement is doing a critical job, we can dismantle organizations, but we must turn this unwholesome appetite that our citizens have for drugs.

That can only be done by this coordinated effort, family effort, school effort, church effort. It must be a unified effort.

Mr. REGULA. Within the Federal structure, what agencies are involved in the demand reduction side? DEA is, I presume the Department of Education has a piece of the action?

Mr. LAWN. Yes, sir, when Bill Bennett was in the Department of Education, he published a book, "Schools Without Drugs." The FBI had begun a demand reduction program as does the Immigration and Naturalization Service. DARE, the program initiated by the police in Los Angeles. The prior police Commissioner in New York City began a program paralleling the DARE program.

So, there are any number of individuals and organizations in the law enforcement community that recognize that there is a burden upon society, not just upon law enforcement, to do something. So there are a number of efforts in the private sector in this regard as well.

[The information follows:]

PROVISION FOR DARE FUNDING BY FEDERAL GOVERNMENT

The expansion of the Drug Abuse Resistance Education (DARE) program has become an ongoing program of the Office of Justice Programs' Bureau of Justice Assistance. Following its introduction in Los Angeles, the Bureau of Justice Assistance funded both demonstration and training programs. Current efforts are directed mainly at making more communities aware of the DARE program and providing grants directed at training.

COORDINATION AMONG FEDERAL AGENCIES

Mr. REGULA. Is there any coordination at this point on demand reduction among the Federal agencies?

Mr. LAWN. Yes, sir. The coordination began with the Office of National Drug Control Policy with Mr. Bennett's shop. Dr. Kleber and Judge Walton are working toward the coordination so we don't duplicate the efforts of other components.

COOPERATION FROM INTERNATIONAL ORGANIZATIONS

Mr. REGULA. I think your statistics on the neo-natal problems, the number of babies born to drug-addicted mothers, are shocking. Certainly it represents a long-term serious problem for society. I assume that only through demand reduction can you reach that problem.

The last question I have is, are you getting good cooperation and maybe growing in its quality from other international organizations?

Mr. LAWN. Yes, sir.

Mr. REGULA. You mentioned Europe having a problem. It seems to me that there would be some interest in coordinating.

Mr. LAWN. Yes, sir, five years ago we would generate little interest in the international community because there was a perception that the United States was the consuming nation. Since that time, we have had the United Nations Convention signed by 101 nations.

We have IDEC, an organization that we formed in Latin America among law enforcement counterparts. It spans countries where traditionally they do not even talk to one another because of border disputes going back 100 years. Now we have formed a coalition. We have cross-border operations. We have exchanges of equipment and exchanges of intelligence.

The Soviets came to us in 1987 and asked for our help because their drug problem was overwhelming. I traveled to Moscow to meet with my law enforcement counterparts of the KGB to discuss the drug problem. They said they were overwhelmed with the problem. They face the reality of their soldiers coming back from Afghanistan not unlike what we experienced in Vietnam.

The People's Republic of China is in close cooperation with us. The new Government of Burma has asked to cooperate with us. I don't think the level of cooperation has ever been higher in the international community.

Mr. REGULA. Thank you.

USER ACCOUNTABILITY

Mr. SMITH. Just a couple of more questions before we go to closed hearing.

You have spoken of the need to do more about demand. The DEA has been largely on the supply reduction end of it, but you have had an opportunity to observe the overall program. When we talk about reducing demand, a lot of people immediately think about teaching something in the classroom. Generally that is what they mean, just talking to people.

Are we doing enough to discourage users? Whether it be boot camps or involuntary rehabilitation, or penalizing them in some way. Are we doing enough to users?

Mr. LAWN. No, sir, we are not. We in fact have de facto legalization in our country because we have not focused on the users. It is starting to be done. Communities are starting to recognize that there must be user accountability.

In Maricopa County, in Phoenix, Arizona, the community has gotten together and the police will go to a given area and if they find anybody with illicit drugs, those people are arrested, brought to the cell, fingerprinted and photographed. They are asked to admit to the fact that they have an illicit substance. If they do and are first-time offenders, they may leave the confines of the jail. And if they agree to go to treatment, which they will pay for, after one year's time that arrest is stricken from their records.

Programs like this, where we are holding the user accountable without tying up the judicial system, do have an effect. I would like to see more efforts like Johns Hopkins Hospital, where they are testing their doctors. I would like to see more efforts as far as the testing of pilots.

We in law enforcement test our personnel not because we think we have a problem, but because we want to take a leadership role. We must do a better job.

Mr. SMITH. I am being told the same thing by sheriffs and Chiefs of Police. As long as you exempt users from any discouragement at all, they know that they won't be arrested and they won't have any embarrassment of any kind. We can't tie up the judicial system, but there are many other things that could be done.

But that would mean spending a lot more than tens of millions of dollars on classroom education and things like that. Do you agree?

Mr. **Lawn**. Yes, sir. It means more than just education. One program, that I ran by my two older children, had to do with programs in two States where if young people in the schools are found to be discipline problems or drug users, they are denied the right to have a driver's license for one year. My two older children thought that was cruel and unusual punishment. But I reminded them that this is a privilege, having a driver's license is a privilege.

Those types of programs can work and will have an effect and will make our people, young and old, recognize that there are penalties to be paid if you are a drug user.

Mr. **Smith**. I think there has obviously been some reduction in casual use, however, it is not at the high school level. I talked to one drug user, and I asked him how many in his high school had not experimented with drugs. He said, "I don't think there are a dozen that haven't experienced drugs in some way or another, and a few of them, right away, they are hooked."

It is at that level that we are really lacking. As long as there is no penalty against drugs, it is just like drinking beer or something.

DEA'S AIR WING

Explain your request for a new air wing facility and for replacing fixed wing aircraft with four turboprop aircraft.

Mr. **Lawn**. It authorizes us to seek a new facility because, in May of 1991, the lease on our current facility at Addison, Texas expires. Addison, if the lease were to be continued, is too small to house our increasing aviation demands. Our fleet has more than doubled in the past five years.

There is a major security problem at Addison. We have found a facility outside of Dallas which would give us the security we need, and would allow us to continue maintenance of our own aircraft.

Actually, we contract out our own maintenance but it is done on site under the supervision of DEA employees. We have an outstanding safety record with those aircraft.

Mr. **Smith**. Is this in the immediate Dallas area?

Mr. **Lawn**. Yes, sir, in the immediate Dallas area, in a non-commercial airport, an airport that is currently used for cargo aircraft so we can get the equipment.

HIRING FIREARM INSTRUCTORS

Mr. **Smith**. You have a request to hire firearms instructors.

Mr. **Lawn**. Yes, sir. With our increasing work force, and with the increasing violence in our cities, it is imperative that we conduct firearms training.

Mr. **Smith**. Why don't you use your agents to do it, or have the FBI do it?

Mr. **Lawn**. Our agents currently do the training, and we need more of them to conduct the training.

Mr. **Smith**. It would still be your agents doing that?

Mr. **Lawn**. Yes, sir, our agents are doing that training.

Mr. **Smith**. We will now go into executive session.

[Discussion off the record.]

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

Drug Enforcement Administration

Overseas Operations

QUESTION: Concerns have been raised about the cost effectiveness of special operations by the Drug Enforcement Administration (DEA) agents in South America. What types of operations are these agents performing?

ANSWER: Operation SNOWCAP targets the illicit production of coca at the source in South America. Agents involved in SNOWCAP are primarily advisors to host country agents in chemical interdiction on roads and rivers and destruction of clandestine labs, airstrips, and coca products. They are not empowered with arrest authority or legal jurisdiction in any countries in which they operate.

QUESTION: The effectiveness of these operations have been marginal as best. Can you document their effectiveness?

ANSWER: The following 1989 statistical accomplishments of Operation SNOWCAP are approximate, they will, however, provide an idea of the success that the operation has had within the last year:

Arrests: 447
Laboratories destroyed: 2,358
Cocaine seizures (Cocaine HCL, Cocaine Base, Cocaine Paste): 9,508 kilograms
Precursor Chemicals seizures: 72,566 liters and 125,671 kilograms
Airstrips seized: 12
Aircraft seized: 10
Weapons seized: 45
Vehicles seized: 34
Communications Equipment seized: 66
Generators seized: 15

QUESTION: One of the most telling arguments against this operation is the fact that agents operate out of base camps in the middle of coca regions, yet the cartels have never bothered to attack their camps or the agents. If the drug lords don't consider the operation worthy of concern, why should we be expected to fund it, especially when there are so many other effective programs begging for more money?

ANSWER: The drug lords are very concerned about drug enforcement operations. This is the very reason why they have not attacked camps or agents. The drug lords fear reprisal and an intensive investigative effort to find the perpetrators of such an attack. This has been evidenced by the Camarena case in Mexico.

QUESTION: What is the total request for this operation in 1991, excluding compensation for agents?

ANSWER: Estimated costs for Operation SNOWCAP through 1989 were $21,322,000. This figure includes costs of salaries, overtime, hazardous duty pay, benefits, operating and PE/PI funds, aircraft operation, technical operations, training, communications and Department of State involvement. These costs are expected to remain constant through 1990. In addition, resources of $5,300,000 were received in 1990 as part of the 1990 Emergency Drug Funding and were targeted by the National Drug Strategy to the Andean initiative. Furthermore, the 1991 President's Budget Request includes an enhancement of $8,000,000 for aircraft which will support Operation SNOWCAP.

EPIC

QUESTION: In 1990, Congress provided $1 million for DEA to procure a new computer at EPIC. Is it true that DOJ has directed you not to procure the computer, but instead utilize excess capacity at the Dallas Regional Data Center?

ANSWER: Yes, the Department has determined that utilizing the excess capacity at the Dallas Data Center would be the most efficient and cost effective method of providing enhanced computer support to EPIC.

QUESTION: Is it your understanding that this decision was made by Justice primarily based on cost considerations?

ANSWER: The decision to seek computer support via the DOJ Data Center in Dallas was based on economic, technical and operational justifications.

In addition, the decision is based on the Attorney General's guidance encouraging uniform, centralized computer support for all Department systems.

QUESTION: It has come to our attention that NSA recommended that DEA not utilize shared computers in order to preclude the possible compromise of classified and sensitive information. Is that true and was NSA's recommendation given the proper consideration when this decision was made?

ANSWER: Much of the information stored in DEA computer systems is unclassified but sensitive. DEA's concern for security stems from the requirements outlined in the Computer Security Act of 1987.

The concerns raised by NSA while valid, have for the most part become moot, as the Department has moved its Data Service Center to Rockville, Maryland. DEA does not share computer resources with any other Department component at the new Data Center. Instead the DEA computing complex at Rockville is dedicated solely to DEA requirements, including backup. The Data Center in Dallas will support EPIC in the same secure manner as DEA applications are supported in Rockville.

QUESTION: As you interface more and more with the intelligence community, won't you begin to process higher levels of classified material and does that not make NSA's recommendation more meaningful?

ANSWER: As other Federal agencies, such as the Department of Defense become more involved in the War on Drugs, the possibility exists that information processed may have higher security classifications than is currently processed.

The information obtained from the NSA Information Security Assessment will be taken into consideration as DEA continues to work with the Department's Systems Policy Staff to ensure that all security requirements are given proper consideration.

State and Local Training

QUESTION: Would you agree that one of DEA's most important duties is utilizing the expertise of its agents to train State and local law enforcement personnel on drug investigative techniques?

ANSWER: Training State and local law enforcement personnel remains one of DEA's highest training priorities.

QUESTION: Why then do you not spend the funds appropriated for this purpose? I am speaking specifically of the $3.1 million appropriated in 1989 for which you obligated only $2.2 million.

ANSWER: It is difficult to match funds appropriated to a decision unit with actual expenditures at the operating level. The latter does not include overhead costs (such as salaries).

DEA's State and local training expenditures were greater than the $2.2 million reflected in 1989 obligations. State and local training received funding through specific programs such as the Domestic Cannabis Eradication, Asset Forfeiture, and Clandestine Laboratory programs.

QUESTION: At a time when we are expanding our efforts in the war on drugs, should you not be increasing, not decreasing State and local training?

ANSWER: DEA is doing what it can to increase the training of State and local law enforcement officers.

DEA's Office of Training's first priority is the training of new Special Agents in the Basic Agent Training Course. The Office anticipates training 651 students in 1991. This number includes the new special agent positions requested in the 1991 budget and replacements for agents lost to attrition. Fifteen Basic Agent classes must be scheduled to train this number of new agents. The most classes offered in a previous year was 11.

This training requirement will have a decided impact on the DEA staff and on the DEA and FBI shared facilities at Quantico. State and local training courses will use the facilities at Quantico as available. Due to lack of sufficient classroom and dormitory space at Quantico, these classes will likely be taught off-site or in the field.

DEA currently is investigating the possibility of converting Camp Upshur at Quantico for use in increasing State and local training.

Domestic Enforcement

QUESTION: You requested an increase of $39 million and 413 positions for Domestic Enforcement. DEA will also receive an increase of $21 million and 126 positions under OCDE if that request is approved. In your personal and professional opinion, is the war on drugs better served by adding resources directly to the DEA for your ongoing programs or to joint operations such as OCDE?

ANSWER: Resources are needed in both areas. Many DEA programs operate independently of OCDE cases, but are the catalyst for OCDE cases.

QUESTION: $37 million is requested to enhance efforts in 15 major drug centers. Please describe these efforts and how the additional funds will be utilized?

ANSWER: The $37 million requested will support 300 additional Special Agents. These agents will be engaged in the full realm of DEA enforcement activities, such as drug and financial investigations, wire taps and surveillances, Task Force operations, etc.

DEA proposes to allocate these additional agents by adding additional enforcement groups in 15 major drug trafficking centers. Two new Agent groups consisting of 15 Agents per group will be allocated to the High Intensity Drug Trafficking Areas as identified by the Office of National Drug Control Policy. These cities are Miami, New York, Los Angeles, Houston, and San Diego (as a part of the Southwest Border High Intensity Drug Trafficking Area.) One new agent group will be allocated to each of the following ten cities: Atlanta, Chicago, Dallas, Detroit, Philadelphia, Phoenix, Seattle, Washington, San Francisco, and Denver. The targeted cities are among the most significant in terms of the overall National drug trafficking picture and efforts here should have collateral effects on cities Nationwide.

QUESTION: Is it not true that as you improve enforcement efforts at a site such as one of these drug centers, that the drug activity shifts to a new location? How can you counter this shifting of activity?

ANSWER: Yes, it is true that drug activity shifts as we improve enforcement efforts. But this is most prevalent at the local level, that is between suburbs. Rarely will a concentrated enforcement effort in a major trafficking city like New York cause trafficking organizations to completely transfer their base of operations to a smaller city.

QUESTION: It appears that you are focusing all your new resources on metropolitan areas and not on rural areas. Is that true?

ANSWER: We are focusing our resources on the areas most crucial in terms of demand and supply nationwide. Rural areas will also benefit indirectly from the focus on metropolitan areas as the supply of drugs to rural communities originates from these metropolitan areas.

Our request includes resources for field divisions that contain large rural areas as well as enhancements for the State and Local Task Force program, which are located primarily in smaller cities.

QUESTION: Are rural areas not experiencing the same explosion of drug use as urban areas?

ANSWER: Rural areas are experiencing dramatic increases in drug usage, but it is difficult to compare it to that of urban areas.

In rural areas, the problem is more sporadic. A few deals can double or triple the drug problem in that area.

For the most part, trafficking organizations are centered in major cities and it is through these major areas that the drugs or drug-related money pass prior to making the local market.

DEA Air Wing

QUESTION: Why are you replacing seven fixed-wing and four turbo-prop aircraft? What would be the impact if these replacement aircraft were delayed a year?

ANSWER: By 1991, 60 percent of DEA's aircraft will be 10 years old or older. The normal replacement cycle for an aircraft is 10 years and 5,000 flight hours.

Delaying the replacement of these aircraft would severely hamper the productivity of the airwing. Unfilled missions and maintenance requests will continue to increase. It would be counter-productive and not cost effective to delay the replacement of these aircraft.

Statistics show that older aircraft are less productive and require more maintenance than new aircraft.

Maintenance problems and unavailability of aircraft frequently make air support for investigations and enforcement operations impossible.

QUESTION: Describe the need for two new turboprop aircraft?

ANSWER: The turboprop aircraft is used primarily in foreign special enforcement operations for transporting cargo, evidence, personnel and to provide communication links and intelligence platforms.

Aircraft for foreign operations must be capable of flying long distances without stopping. Turboprops can fly 2,000 miles non-stop at a flying altitude of 31,000 feet with a hauling capacity of 3,000 pounds. These aircraft will be used principally for Operation SNOWCAP.

Other 1991 Increases

QUESTION: The Committee is aware of criticism that some DEA agents assigned to foreign offices are not able to converse in that foreign language and have not been properly trained in drug intelligence gathering and dissemination. Are you aware of this problem and what actions are you taking to correct it?

ANSWER: Every Special Agent sent to a foreign post receives the necessary language training. Some Agents already are proficient in a foreign language and do not require additional training. Those Agents who do need training receive instruction through courses taught by such organizations as the State Department's Foreign Service Institute and the Defense Language Institute.

Agents also are able to maintain their language proficiency by in-country language training. Courses or private tutors often are arranged by Embassy or Consulate personnel.

All Agents are trained in drug intelligence gathering and dissemination in the Basic Agent Training course and through select in-service training courses. DEA now provides a Foreign Orientation Program course specifically designed for Agents going overseas. Two and one-half days of this course are devoted to intelligence gathering and dissemination topics.

QUESTION: Will the 22 personnel requested for foreign cooperative investigations be fully prepared for their assignment?

ANSWER: All 22 personnel will be 100 percent prepared for their overseas assignments.

Four of the 22 personnel assigned overseas will fill technical or clerical positions. DEA does not require language proficiency for these positions. DEA's overseas offices are encouraged to offer these employees in-country language training, if it is requested and needed. Lead secretaries do undergo a two-week training program before embarking overseas.

QUESTION: You request $2 million for Diversion Control. Please describe your efforts in this area and how the additional funds will be utilized.

ANSWER: The additional resources will provide for an additional 28 diversion investigators to enhance our efforts in implementing the Chemical Diversion and Trafficking Act.

These additional diversion investigators will:

- -- conduct audits of chemical handlers required by the Act;
- -- investigate requests for "regular customer" status by U.S. chemical companies for their foreign clients;
- -- evaluate foreign importers for legitimacy;
- -- verify legitimacy of chemical shipments;
- -- follow-up clandestine lab seizures to ascertain the source of the chemicals; and
- -- serve as liaison with the chemical industry to encourage voluntary compliance with the Chemical Act.

QUESTION: Does the FBI currently have such firearms instructors and would it be possible to utilize their resources on a reimbursable basis?

ANSWER: Yes, the FBI has full-time professional firearms instructors in each division.

The FBI's firearms training resources, including staff, already are overtaxed.

DEA and the FBI have different firearms policies and use different types of weapons. The FBI allows an Agent to shoot at a fleeing suspect; DEA does not. The FBI still is training Agents with revolvers while DEA uses a semi-automatic 9 mm pistol. Likewise, DEA and the FBI do not use the same type of machine guns. It would be difficult for DEA to use FBI resources given these considerations.

QUESTIONS SUBMITTED BY CONGRESSMAN DWYER

Drug Enforcement Administration

Demand Reduction Through Education

QUESTION: On page 8 of your statement you discuss demand reduction. And I, like you, feel strongly about this. You state that the DEA has been successful in spreading the anti-drug message to youth, sporting and educational groups; and that in 1989, DEA conducted drug education workshops, seminars, and clinics throughout the country to more than 700 high school coaches, counselors, and school administrators; and that more than 200,000 children attended Sports Drug Awareness presentations.

Wouldn't you agree that this is the real answer to combatting drug abuse?

ANSWER: There is no one answer to the enormous drug situation facing this Nation. Stopping drug abuse can only be accomplished when effective drug education is linked with drug law enforcement and prevention for our youth, our parents, and our community leaders.

QUESTION: And, how is DEA going to increase these crucial kinds of activities if this 1991 budget is approved?

ANSWER: DEA has made great strides in the area of demand reduction. In 1989, DEA in conjunction with the National Association of Broadcasters developed and produced anti-drug public announcements in English and Spanish. DEA has continued to sponsor seminars and technical assistance on the Drug Free Workplace, user accountability, drug education, drug prevention, and sports drug awareness. In addition, DEA's demand reduction program is involved in International Demand Reduction programs to include the sixth annual International Drug Enforcement Conference (IDEC). DEA will continue to enhance these programs and other demand reduction efforts in 1991.

Foreign DEA Offices

QUESTION: Page 31 - 33 (of DEA's Congressional Budget Submission) outlines expansion of your 13 existing foreign/field offices and the establishment of a new office in Salta, Argentina.

What kind of relationship do you have with State and other members of the intelligence community located in these countries?

ANSWER: DEA maintains close and cooperative relations with both the State Department and the Intelligence Community in each of the countries slated for DEA expansion.

DEA's presence in every foreign post falls under the full authority of the U.S. Ambassador to that country. The Ambassador is regularly briefed on DEA activities and is the approving official on important issues.

It is the State Department, through the Ambassador's office, which approves the staffing of DEA Special Agents within a country and negotiates working agreements with host governments.

DEA Agents stationed overseas routinely exchange information on narcotics matters with the State Department's political officer, the station-chief for intelligence, and with representatives of U.S. military intelligence.

Chemical Control/Clandestine Labs

QUESTION: Your justification indicates how the increasing problems of prescription drug abuse now accounts for almost half of the total U.S. drug abuse problem and the growing problem of steroid abuse by young people. To ensure industry compliance with regulations, DEA conducts liaison activities with the pharmaceutical industry to explain the purpose and intent of the law and to provide clarification of its provisions.

Could you give us some examples of these types of liaison activities?

ANSWER: DEA's Office of Diversion Control is actively involved in liaison activities with both States and the pharmaceutical industry. DEA hosts seminars for both the chemical and pharmaceutical industries, provides speakers for the more than 30 National organizations, distributes information through manuals and other publications, and participates in four DEA/industry committees which meet twice a year to discuss current issues, problems and legislation. DEA has established similar liaison activities for the chemical industry as part of implementing the Chemical Diversion and Trafficking Act.

QUESTION: How many pharmaceutical companies participate?

ANSWER: DEA deals with not only pharmaceutical companies but also manufacturers, distributors, dispensers, prescribers and, since passage of the Chemical Diversion and Trafficking Act, the chemical manufacturers and distributors. Every other year DEA hosts a National Conference to interpret legislation, assist industry with security measures to avert diversion of controlled substances, and to encourage voluntary compliance beyond the minimum requirements of law. More than 85 companies and representatives from five National organizations participated in DEA's last National Conference.

QUESTION: Do you have adequate resources in this area to regulate this industry under the Chemical Control and Diversion Act of 1988?

ANSWER: DEA is requesting 28 Diversion Investigators in the 1991 Budget to implement the Chemical Diversion and Trafficking Act. These resources will be dedicated to initiating DEA's Chemical Control program as outlined in the Chemical Diversion and Trafficking Act.

QUESTION: What efforts/headway is DEA making in reducing production of designer drugs?

ANSWER: The Controlled Substance Analogue Enforcement Act of 1986 provided DEA with an effective tool in combating the production of analogues or designer drugs. One of the provisions allows an analogue to be considered a controlled substance if the physical structure and physiological effect are similar to that of a controlled substance. An individual who traffics an analogue is no longer protected by that analogue's physical structure, as they were prior to implementation of the Act.

QUESTION: What about "Ice"?

ANSWER: To be clear, Ice is not a designer drug, nor is it a new analogue of methamphetamine. It is merely methamphetamine hydrochloride in the form of large crystals.

Ice usage and trafficking is still primarily restricted to Hawaii. Small amounts and a few Ice laboratories have been found on the West Coast, but there is no signal of a major influx on the U.S. mainland. To attack the Ice problem in Hawaii and to prevent the opening of a major market on the mainland, the DEA has established a major enforcement program through its West Coast Field Offices, the Honolulu Resident Office and various foreign offices that will target Ice trafficking from its' main source in Korea.

Controlling the Drug War by Controlling the Availability of Firearms

QUESTION: According to the Bureau of Alcohol Tobacco and Firearms (BATF), in 1988, 59 percent of BATF firearm defendants were narcotics traffickers, and 84 percent of criminals prosecuted under BATF's Armed Career Criminal program were narcotics traffickers. In light of these numbers, I assume that firearms are also seized in a significant percentage of the narcotics cases DEA prosecuted.

I also understand that DEA keeps accurate records of the drugs and assets it seizes and the arrests it makes each year.

Does the DEA also keep records of the numbers, types, and locations of firearms it seizes? If not, why not?

Please provide for the record a breakdown of the numbers types (e.g., fully automatic weapons, military style semi-automatic assault weapons, rifles, pistols, revolvers, shotguns) and the general locations of the firearms DEA seized in each of the last three years.

ANSWER: The DEA does keep, and updates quarterly, comprehensive statistics on the firearms that it seizes. These statistics reflect the number, type and location of the seized firearms. Provided is a copy of the Firearms Seizure Report for 1989. Please note that the data included in these reports refer to firearms seized by DEA Special Agents and State/Local Task Force officers during the conduct of criminal investigations and are directly related to those investigations. Firearms seized as assets that are not directly related to the criminal investigation (i.e., gun collection) are not included in the data.

QUESTION: What percentage of DEA drug cases involve firearms?

ANSWER: In 1989, the number of cases involving firearms was 1,504. This represents approximately 10 percent of domestic criminal cases initiated by DEA in 1989.

QUESTION: I understand that DEA has testified that in 1987 through 1988, the seizure of machine guns declined.

Is that trend continuing? Please provide for the record information on the numbers of machine guns DEA seized in 1988, 1989 and 1990.

ANSWER: DEA has seen a slight decrease in the number of machine guns seized since 1987. The following is a breakdown of the number of machine guns seized from 1987 to the first quarter of 1990.

1987	1988	1989	1990 (1st qtr.)
248	215	206	34

QUESTION: Are any of the machine guns DEA has seized registered with the Federal Government?

ANSWER: All weapons seized by DEA are reported to BATF. DEA does not keep information on registration.

QUESTION: I understand that DEA Administrator John Lawn has stated publicly on CBS's "Face the Nation," on September 10, 1989, that as a member of the law

enforcement community he was concerned about the unfettered sale of semi-automatic weapons here in the U.S.

In DEA's opinion, would a ban on the domestic manufacture and sale of semi-automatic assault weapons assist the law enforcement community to fight the drug war? If so, how would it help?

ANSWER: From a law enforcement perspective, DEA is clearly concerned about Agent safety and believes that semi-automatic weapons pose a great threat to the lives and safety of our personnel.

QUESTION: Has DEA seen a trend in recent years toward the use of more sophisticated assault weapons by drug traffickers?

ANSWER: DEA statistics do not distinguish semi-automatic assault weapons separately; however, they are included under two statistical categories that were added in 1989- semi-automatic rifles and semi-automatic shotguns.

In the category of semi-automatic firearms, DEA has seen an alarming trend from 1987 to 1989. While total firearms seizures have increased 16 percent during this time frame, semi-automatic firearms seizures have increased 53 percent.

QUESTION: In the DEA's opinion, how much of a problem are these semi-automatic assault weapons?

ANSWER: Again, these weapons pose a significant hazard to Agent safety. Naturally this is a concern to the law enforcement community.

QUESTION: In an appearance before the House Select Committee on Narcotics last November, DEA acknowledged that assault guns were being illegally exported to drug traffickers in Mexico, Columbia and other Latin American countries. What is DEA's current assessment of this growing problem?

ANSWER: The DEA still acknowledges that assault weapons are being illegally exported to drug traffickers in Latin America and South America. However, these instances are not common and, to DEA's knowledge, there are no major networks exporting these weapons out of the United States.

QUESTIONS SUBMITTED BY CONGRESSMAN KOLBE

Drug Enforcement Administration

Agency Feuds in Drug Wars

QUESTION: With the emergence of the war on drugs as a national priority, many Federal agencies are looking to

benefit from a role in this effort. Everyone wants on the bandwagon. The DOD is proposing new roles, as well as other agencies. I'm concerned with reports of inter-agency feuding that has resulted from this. It suggests that perhaps we are throwing significant additional resources without clear direction on who has the lead, and how agencies should coordinate.

This problem was highlighted in Arizona last fall when reports circulated of a "turf" war between the DEA and Customs and local law enforcement agencies.

Could you comment on any problems you have observed in this regard?

What is the DEA doing to address the need for coordination with other State and Federal agencies which have a secondary role, such as Customs and INS?

How can similar problems, which disrupt the success of drug fighting efforts, be avoided in the future?

ANSWER: The DEA has occasionally experienced a few problems in this regard. Fortunately, they are not very common. Whenever there are multiple agencies involved in a single law enforcement effort, there will undoubtedly be some competition among them. When that competition adversely affects drug enforcement operations, it is a major concern to the DEA.

While the Office of National Drug Control Policy has identified DEA as the lead agency in drug law enforcement efforts, DEA recognizes and values the very real contributions of other agencies, such as the U.S. Customs Service, in the war on drugs and is working to increase cooperation with these agencies.

A recent major step in this direction occurred on January 10, 1990. The DEA and Customs, along with the Deputy Attorney General and the Deputy Secretary of the Treasury, signed a memorandum of understanding that will improve coordination of narcotics investigations through the use of the cross-designation authority provided to the Attorney General in 21 U.S.C. 873 (b).

Other DEA coordination efforts include the establishment of additional multi-agency task forces, special enforcement operations and training programs. These efforts are providing the groundwork for future cooperation among agencies.

Discrimination in DEA

QUESTION: I understand that a class action discrimination suit has been brought against the DEA on behalf of Hispanic Agents who allege discrimination in promotions. What is the status of the case?

ANSWER: The Muniz vs. Meese case is in the pre-trial discovery stage of litigation. DEA is being represented by the U.S. Attorney's Office in the District of Columbia.

QUESTION: If in fact there are concerns that Hispanic Agents have been held back, what is the DEA doing to address these concerns?

ANSWER: Because this matter is in litigation it would be improper for DEA to comment on the merits of the case. DEA has a longstanding commitment to Hispanic American concerns. As you may know, Hispanic Americans are under-represented in the Federal workforce, being concentrated in only a few Federal agencies. DEA is proud to say that it is one of those few Federal agencies. DEA gives careful consideration to problems and issues raised by its employees, including its Hispanic American agents.

QUESTION: Are any in-house programs being implemented to recruit, retain, and develop minority candidates by the DEA?

ANSWER: DEA's Office of Equal Employment Opportunity is developing several internal programs which are targeted at identifying areas within DEA that are under-represented in terms of minorities and women. DEA is developing an outreach program for minority and women Special Agent candidates that includes on-site visits and advertising. DEA is also developing an internal skills inventory to target minorities and women already employed by DEA for areas that are under-represented.

QUESTION: What cooperation have you had with the EEOC, or other agencies, to promote opportunities for minorities within the Agency?

ANSWER: Utilizing guidelines provided by the EEOC, DEA is drafting a Civilian Labor Force Study to develop those areas within DEA that are under-represented by minorities and women. The results of this study will be used to target those specific areas. In addition, DEA submits an annual Affirmative Action Plan to the Department of Justice.

THURSDAY, MARCH 15, 1990.

ORGANIZED CRIME DRUG ENFORCEMENT

WITNESSES

DONALD B. AYER, DEPUTY ATTORNEY GENERAL

MARGARET C. LOVE, ASSOCIATE DEPUTY ATTORNEY GENERAL

FREDERICK W. KRAMER, DIRECTOR, ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE ADMINISTRATIVE STAFF

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

1991 BUDGET REQUEST

Mr. SMITH. We will now hear testimony concerning the Organized Crime Drug Enforcement (OCDE) appropriation. The Department recommends $330,000,000 for this account for FY 1991. These funds will then be used almost totally to reimburse Federal agencies for OCDE support. We will insert in the record at this point the OCDE fiscal year 1991.

[The budget materials follows:]

Department of Justice

Interagency Law Enforcement

Organized Crime Drug Enforcement

Estimates for Fiscal Year 1991

Table of Contents

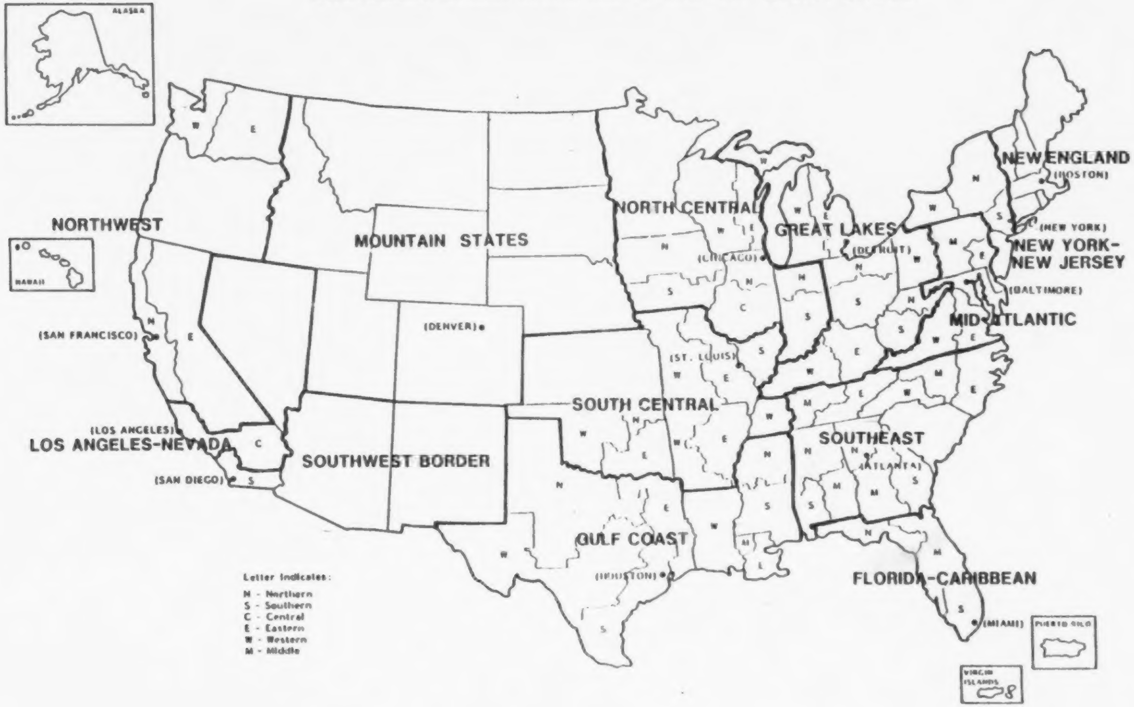
Page Number

Organization Chart 1
Summary Statement 2
Justification of Proposed Changes in Appropriation Language 6
Crosswalk of 1990 Changes 8
Summary of Requirements 10
Summary of Resources by Program 11

Justification of Program and Performance:

  Drug Law Enforcement 12
  Prosecutions 33
  Administrative Support 40
Financial Analysis - Program Changes 45
Priority Ranking 48
Detail of Permanent Positions by Category 49
Summary of Change 50
Justification of Adjustments to Base 52
Summary of Requirements by Grade and Object Class 56

ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES


ALASKA
HAWAII
NORTHWEST
(SAN FRANCISCO)
(LOS ANGELES)
LOS ANGELES-NEVADA
(SAN DIEGO)
MOUNTAIN STATES
(DENVER)
SOUTHWEST BORDER
NORTH CENTRAL
(CHICAGO)
(ST. LOUIS)
SOUTH CENTRAL
GULF COAST
(HOUSTON)
GREAT LAKES
(DETROIT)
NEW ENGLAND
(BOSTON)
(NEW YORK)
NEW YORK-NEW JERSEY
(BALTIMORE)
MID-ATLANTIC
SOUTHEAST
(ATLANTA)
FLORIDA-CARIBBEAN
(MIAMI)
PUERTO RICO
VIRGIN ISLANDS
Letter indicates:
N - Northern
S - Southern
C - Central
E - Eastern
W - Western
M - Middle

Interagency Law Enforcement
Organized Crime Drug Enforcement
Summary Statement
Fiscal Year 1991

Synopsis

The Organized Crime Drug Enforcement (OCDE) Task Force Program is requesting, for 1991, a total of $330,000,000, 3,962 permanent positions, and 3,544 workyears. This request represents an increase of $115,079,000, 1,044 positions, and 789 workyears over the 1990 appropriation anticipated.

In 1983 and 1984, the OCDETF Program operated as a single appropriation reimbursing participating agencies for their involvement. Beginning in 1985, the resources were appropriated directly to the participating agencies. Pursuant to Section 1055 of the Anti-Drug Abuse Act of 1988 (P.L. 100-690), a single appropriation request for the OCDE Task Force Program was established in 1990. The agencies participating in the OCDE Task Force Program will be reimbursed for their involvement in the initiative from the single OCDE appropriation.

Background

The OCDE Task Force Program constitutes a nationwide structure of 13 regional Task Forces which utilize the combined resources and expertise of its 11 member Federal agencies in cooperation with State and local investigators and prosecutors to target and destroy major narcotic trafficking and money laundering organizations. A multifaceted attack on highly sophisticated drug cartels requires unique capabilities combined into a comprehensive and orchestrated investigation and prosecution. Thus, for example, by uniting the physical and electronic surveillance abilities of the Federal Bureau of Investigation (FBI), the drug intelligence data and drug investigative skills of the Drug Enforcement Administration (DEA), the tax and financial knowledge of the Internal Revenue Service (IRS), the Bureau of Alcohol Tobacco, and Firearms (BATF) skills in weapons investigations, the resources of the U.S. Customs Service for tracking international movements of people and funds, the intelligence gained from the U.S. Coast Guard maritime activities, the Immigration and Naturalization Service's (INS) expertise in tracking and deporting illegal aliens, and the U.S. Marshals Service's (USMS) authorities, the full forces of the drug enforcement community are brought to an investigation. The OCDE Task Force Program further broadens this base with the local intelligence resources of State and local law enforcement agencies and adds to the impact by utilizing attorney's skills at the earliest stages of investigations. Contributing resources to the prosecution of OCDE Task Force Program cases are the U.S. Attorneys, Criminal Division and the Tax Division.

The goal of the OCDETF Program is to identify, investigate and prosecute members of high-level drug trafficking enterprises and to destroy the operations of those organizations. Four objectives continue to guide the selection and conduct of investigations:

- To target, investigate and prosecute individuals who organize, direct, finance, or are otherwise engaged in high-level illegal drug trafficking enterprises; including large-scale money laundering organizations;

- To promote a coordinated drug enforcement effort in each Task Force region and encourage maximum cooperation among all drug enforcement agencies;

- To work fully and effectively with State and local drug law enforcement agencies; and

- To make full use of financial investigative techniques, including tax law enforcement and forfeiture actions.

Those who are targeted for Task Force cases include: criminal groups formed for the purpose of importing, distributing and financing large amounts of controlled substances; criminal groups that are trafficking in drugs as well as engaging in other crimes; traditional organized crime figures; major outlaw motorcycle gangs; prison gangs or prison-associated organizations; and physicians, pharmacists and other persons registered to legally dispense drugs but who engage in illicit distribution.

The FY 1991 Program

The 1991 request for the OCDE Task Force Program consists of three budget activities incorporating the resources of the 11 member agencies. The budget activities are Drug Law Enforcement, Prosecutions, and Administrative Support. The major initiatives and resource requests for 1991 for these activities are summarized below.

Drug Law Enforcement

This activity provides resources for the investigations conducted by the 13 regional OCDE Task Forces. The total resources requested in 1991 for this budget activity are 2,973 positions, 2,724 workyears and $260,716,000. This represents 79.0 percent of the funding request for the OCDE Task Force Program in 1991.

The focus of Task Force investigations is on the organized criminal enterprise leadership involved in drug trafficking and the breakup of the infrastructure of organized criminal enterprises. This includes the seizure and forfeiture of assets of organized criminal enterprises involved in narcotics trafficking. This activity provides resources to reimburse law enforcement agencies in the Department of Justice, Department of the Treasury and the Department of Transportation for investigative activities related to the OCDE Task Forces.

Program increases of 744 positions (502 agents), 532 workyears and $88,306,000 are requested. A summary of increases requested follows:

- Several member agencies have historically experienced an erosion of their direct appropriated OCDETF funds or overburn in this program. Previously, agencies were able to divert resources from their non-OCDETF budget to augment their effort in the OCDETF program. However, the current stringent fiscal environment and escalating demands placed upon these agencies as a result of the Anti-Drug Abuse Act of 1988 and other internal operational mandates, have virtually eliminated this supplementary source of funding. Agencies simply can no longer over utilize resources for the OCDETF program at the expense of other critical requirements. Additional resources are essential to maintain the current level of OCDETF effort. Increases are requested to address this problem for the following agencies: Federal Bureau of Investigation - 274 positions (154 agents), 224 workyears, and $35,476,000; Internal Revenue Service - 190 positions (139 agents), 154 workyears, and $18,729,000 and the Immigration and Naturalization Service - 29 positions (24 agents), 14 workyears and $2,423,000. Since 1984 the USCS has supported the OCDETF program with appropriated funds of about $14,000,000 and 226 positions. The USCS request of 125 positions (92 agents), 90 workyears and $10,316,000 will provide for an enhancement of international money laundering investigations.

- An increase of $812,000 is requested for the Bureau of Alcohol, Tobacco and Firearms to implement new electronic interception authority related to firearms investigations.

- Increased resources of 126 positions (93 agents), 50 workyears, and $20,550,000 are requested for the Drug Enforcement Administration to increase its investigative support to the OCDETF program. Included within the DEA request is an increase of $1,800,000 to augment the State and local Overtime program. Currently, $3,200,000 is available to meet requests from the fifty states.

Prosecutions

The prosecution activity request for the OCDE Task Force Program in 1991 totals 976 positions, 808 workyears and $68,068,000. This represents 20.6 percent of the OCDE Task Force Program funding request for 1991. This funding is used for the U.S. Attorneys, the Criminal Division and the Tax Division for their investigative support and prosecutorial efforts toward OCDE Task Force cases. Litigation efforts are targeted selectively on the criminal leadership involved in drug trafficking and are intended to dissolve organized illicit enterprises. This includes activities designed to secure the seizure and forfeiture of the assets of these enterprises.

Program increases of 297 positions (151 attorneys), 148 workyears and $18,866,000 are requested for the prosecution activity.

- This increase will provide the necessary resources to establish a 1:4 ratio of prosecutors to investigators in the OCDETF program. This ratio was substantiated in a Caseload Study of the OCDETF program published in August 1985.

Administrative Support

The Administrative support activity request for the OCDE Task Force Program in 1991 totals 13 positions, 12 workyears, and $1,216,000. This represents just .4 percent of the total funding request for the OCDE Task Force Program in 1991.

This activity provides policy guidance, central coordination, and administrative support to the headquarters of the eleven member agencies and the thirteen regional task forces. The OCDETF Administrative Staff has day to day responsibility for providing administrative support to the Task Forces and is responsible for financial management, records management, and maintenance of the Case Management System. This staff serves as the first-echelon point of contact for the Task Forces when Washington intervention or assistance is required.

The OCDETF Program has avoided the creation of a large, Washington-based bureaucracy. Cooperation at the field-office level is encouraged by marshaling the efforts of agency personnel within local districts and making the 13 OCDETF Coordination Groups and the core-city United States Attorney responsible for the management of the several Task Forces. The Program is not designed to be administered centrally from Washington, however, establishment of the consolidated OCDETF appropriation in 1990 has significantly increased the administrative and analysis responsibilities associated with the monitoring, tracking, and reporting of OCDETF activities by eleven separate agencies and the reimbursement of OCDETF resources on a quarterly basis to those agencies. The added responsibility of developing and presenting the consolidated OCDETF budget was mandated by P.L. 100-690. In response to this function, 3 positions, 2 workyears, and $123,000 are requested for 1991.

Interagency Law Enforcement

Organized Crime Drug Enforcement

Justification of Proposed Changes In Appropriation Language

The 1991 Budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Organized Crime Drug Enforcement

For necessary expenses for the detection, investigation, and prosecution of individuals involved in organized crime drug trafficking not otherwise provided for, [$168,560,000]; Provided, That any amounts obligated from $330,000,000 appropriations under this heading may be used under authorities available to the organizations reimbursed from this appropriation[: Provided further, That appropriations under this heading may be used to reimburse agencies for any costs incurred by Organized Crime Drug Enforcement Task Forces between October 1, 1989, and the date of enactment of this Act: Provided further, That section 506 (a)(1) of Part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended by Section 6091 of the Anti-Drug Abuse Act of 1988, is amended by adding "or 0.25 percent, whichever is greater," after "$500,000"].
(Department of Justice Appropriations Act, 1990; additional authorizing legislation to be proposed.)

[For carrying out efforts at National Drug Control $46,361,000 to strengthen the ability of the Federal Government to attack drug cartels and other organized crime groups through the eleven cooperating Federal agencies which participate in the organized crime drug enforcement task forces.]
(Department of Transportation and Related Agencies Appropriations Act, 1990.)

Explanation of changes

1. The first change deletes authority which permitted this appropriation to be used to reimburse agencies for costs incurred between October 1, 1989 and the date of enactment of the Department's regular appropriation which did not occur until November 21, 1989. Since fiscal year 1990 was the first year for this consolidated appropriation, this language was necessary for operation under a continuing resolution. This situation will not present itself again, and the language is therefore unnecessary.

2. The second deletion relates to the authority under which the Office of Justice Programs allocates its formula grants to States. This provision was added to the Organized Crime Drug Enforcement appropriation by the conferees solely for technical reasons and is not germane to the pending request.

Interagency Law Enforcement

Organized Crime Drug Enforcement

Crosswalk of 1990 Changes

(Dollars in thousands)

	1990 President's Budget Request			Adjustments in Perm. Pos. & Workyears		Proposed Reprogrammings			1990 Appropriation Anticipated		
Activity/Program	Pos.	WY	Amt.	Pos.	WY	Pos.	WY	Amt.	Pos.	WY	Amt.
Drug Law Enforcement:											
1. Drug Enforcement Administration	762	749	$68,366	75	38	...	...	-$159	837	787	$68,207
2. Federal Bureau of Investigation	637	637	51,589	...	...	...	...	-94	637	637	51,495
3. Immigration and Naturalization Service	94	48	8,045	...	...	...	...	...	94	48	8,045
4. U.S. Marshals Service	13	13	1,014	...	...	...	...	...	13	13	1,014
5. U.S. Customs Service	226	226	14,461	...	-8	...	...	...	226	218	14,461
6. Bureau of Alcohol, Tobacco and Firearms	135	128	8,612	...	...	...	...	...	135	128	8,612
7. Internal Revenue Service	260	260	14,413	17	...	...	...	...	277	260	14,413
8. U.S. Coast Guard	10	10	830	...	...	...	...	...	10	10	830
Subtotal	2,137	2,071	167,330	92	30	...	...	-253	2,229	2,101	167,077
Prosecutions:											
9. U.S. Attorneys	669	652	45,788	...	-16	-10	-10	-583	659	626	45,205
10. Criminal Division	6	6	662	...	...	...	...	...	6	6	662
11. Tax Division	14	12	1,141	...	...	...	...	...	14	12	1,141
Subtotal	689	670	47,591	...	-16	-10	-10	-583	679	644	47,008
Administrative Support:											
12. Task Force Administrative Staff	...	...	...	...	...	10	10	836	10	10	836
Total	2,826	2,741	214,921	92	14	...	...	...	2,918	2,755	214,921

Adjustment in Permanent Positions and Workyears. The absorption of the 1990 pay increase will not allow support for all of the positions and workyears that Congress may have expected. Member agencies impacted are U.S. Attorneys and U.S. Customs Service.

The requested change in positions and workyears for the Drug Enforcement Administration is designed to permit the most effective utilization of resources. The assignment of special agents at a lower grade level than anticipated will allow the DEA to increase the number of agents in the program if position and workyear ceilings are increased.

The 1990 Congressional Submission erroneously reported 260 positions for IRS and a total of 2,826 for the OCDETF program. The correct figures should have been 277 for IRS and a total of 2,843 for the OCDETF program.

Reprogrammings. This proposed action establishes a separate decision unit for the OCDETF Administrative Unit. Under the supervision of the Director, the unit consists of professional and support staff required for the performance of a broad range of management and administrative functions. The Administrative Staff serves as the first-echelon point of contact for the Task Forces when Washington intervention or assistance is required. This staff is also responsible for financial management, records management, maintenance of the Case Management System and supports field operations in the thirteen OCDETF regions.

Funding for personnel costs for the permanent staff have been provided under the auspices of the Executive Office for United States Attorneys. Additionally, operational funding in support of administrative activities for the Task Force program have been provided by the Executive Office for United States Attorneys, Drug Enforcement Administration, and the Federal Bureau of Investigations on a reimbursable basis.

Interagency Law Enforcement

Organized Crime Drug Enforcement

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.[1]	Work-years[1]	Amount
Department of Justice Appropriations Act, 1990	2,101	2,069	$168,560
Department of Transportation Appropriations Act, 1990 - Emergency Drug Funding	725	672	46,361
1990 as enacted	2,826	2,741	214,921
Adjustment in permanent positions and workyears	92	14	...
1990 appropriation anticipated	2,918	2,755	214,921
Adjustment in permanent positions and workyears	...	61	...
Mandatory increases	...	46	10,501
Decreases	...	...	-2,717
1991 base	2,918	2,862	222,705

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Estimates by budget activity:												
1. Drug Law Enforcement	2,229	2,101	$167,077	2,229	2,192	$172,410	2,973	2,724	$260,716	744	532	$88,306
2. Prosecutions	679	644	47,008	679	660	49,202	976	808	68,068	297	148	18,866
3. Administrative Support	10	10	836	10	10	1,093	13	12	1,216	3	2	123
Total	2,918	2,755	214,921	2,918	2,862	222,705	3,962	3,544	330,000	1,044	682	107,295

	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
EOY Employment:												
Full-time permanent	2,918	...	2,918	2,918	...	2,918	3,962	...	3,962	1,044	...	1,044

---

[1] The positions and workyears reflected throughout the exhibits of the OCDE appropriation budget are reimbursable for the participating agencies.

Interagency Law Enforcement

Organized Crime Drug Enforcement

Summary of Resources by Program

(Dollars in thousands)

Estimates by Program	1989 as Enacted			1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Drug Law Enforcement:																		
1. Drug Enforcement Administration.........	...	...	...	...	...	...	837	787	$68,207	837	824	$70,766	963	874	$91,316	126	50	$20,550
2. Federal Bureau of Investigation.........	...	...	...	...	...	...	637	637	51,495	637	637	53,311	911	861	88,787	274	224	35,476
3. Immigration and Naturalization Service..	...	...	...	...	...	...	94	48	8,045	94	94	7,599	123	108	10,022	29	14	2,423
4. U.S. Marshals Service..................	...	...	...	...	...	...	13	13	1,014	13	13	1,056	13	13	1,056	...	...	...
5. U.S. Customs Service....................	...	...	...	...	...	...	226	218	14,461	226	226	14,984	351	316	25,300	125	90	10,316
6. Bureau of Alcohol, Tobacco and Firearms.	...	...	...	...	...	...	135	128	8,612	135	128	8,885	135	128	9,697	...	...	812
7. Internal Revenue Service................	...	...	...	...	...	...	277	260	14,413	277	260	14,951	467	414	33,680	190	154	18,729
8. U.S. Coast Guard........................	...	...	...	...	...	...	10	10	830	10	10	858	10	10	858	...	...	...
Subtotal................................	...	...	...	...	...	...	2,229	2,101	167,077	2,229	2,192	172,410	2,973	2,724	260,716	744	532	88,306
Prosecutions:																		
9. U.S. Attorneys..........................	...	...	...	...	...	...	659	626	45,205	659	642	47,316	956	790	66,182	297	148	18,866
10. Criminal Division......................	...	...	...	...	...	...	6	6	662	6	6	698	6	6	698	...	...	...
11. Tax Division...........................	...	...	...	...	...	...	14	12	1,141	14	12	1,188	14	12	1,188	...	...	...
Subtotal..............................	...	...	...	...	...	...	679	644	47,008	679	660	49,202	976	808	68,068	297	148	18,866
Administrative Support:																		
12. Task Force Administrative Staff.........	...	...	...	...	...	...	10	10	836	10	10	1,093	13	12	1,216	3	2	123
TOTAL.................................	...	...	...	...	...	...	2,918	2,755	214,921	2,918	2,862	222,705	3,962	3,544	330,000	1,044	682	107,295
Other Workyears:																		
OT/Holiday/AUO............................		...			...			398			416			548			132	
Total compensable workyears................		...			...			3,153			3,278			4,092			814	

Interagency Law Enforcement

Organized Crime Drug Enforcement

Justification of Program and Performance

Activity Resource Summary

(Dollars in thousands)

Activity: Drug Law Enforcement	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Drug Enforcement Administration.........	837	787	$68,207	837	824	$70,766	963	874	$91,316	126	50	$20,550
Federal Bureau of Investigation.........	637	637	51,495	637	637	53,311	911	861	88,787	274	224	35,476
Immigration and Naturalization Service..	94	48	8,045	94	94	7,599	123	108	10,022	29	14	2,423
U.S. Marshals Service...................	13	13	1,014	13	13	1,056	13	13	1,056	...	...	...
U.S. Customs Service....................	226	218	14,461	226	226	14,984	351	316	25,300	125	90	10,316
Bureau of Alcohol, Tobacco and Firearms.	135	128	8,612	135	128	8,885	135	128	9,697	...	...	812
Internal Revenue Service................	277	260	14,413	277	260	14,951	467	414	33,680	190	154	18,729
U.S. Coast Guard........................	10	10	830	10	10	858	10	10	858	...	...	...
Subtotal................................	2,229	2,101	167,077	2,229	2,192	172,410	2,973	2,724	260,716	744	532	88,306

This budget activity includes resources to reimburse law enforcement agencies in the Department of Justice, Department of the Treasury and the Department of Transportation for investigative activities related to the thirteen OCDE Task Forces. The focus of Task Force investigations is on the organized criminal enterprise leadership involved in drug trafficking and the breakup of the infrastructure of organized criminal enterprises. This includes the seizure and forfeiture of assets of organized criminal enterprises involved in narcotics trafficking.

Long-Range Goal: To identify and investigate members of high-level organized criminal enterprises engaged in drug trafficking and to destroy the operations of those organizations.

Major Objectives:

To target and investigate individuals who organize, direct and finance high-level illegal narcotics trafficking enterprises.

To make full use of financial investigative techniques and forfeiture actions, thereby enabling the Federal Government to seize assets and profits derived from narcotics trafficking.

To promote a coordinated drug enforcement effort in each of the 13 Task Force regions.

To encourage maximum cooperation among all drug enforcement agencies.

To work fully and effectively with State and local law enforcement agencies investigating illegal narcotics trafficking.

Base Program Description:

Headquarters and Field Organization

The OCDETF Program has avoided the creation of a large, Washington-based bureaucracy. The Executive Review Board (ERB), chaired by the Deputy Attorney General, is composed of senior officials from agencies of the Treasury, Transportation, and Justice Departments. The ERB provides oversight nationally by articulating policy, reviewing the allocation of resources, and resolving outstanding issues that cannot be settled in the field. The Washington Agency Representatives Group, comprised of high-level section managers from each member agency, provides problem resolution research for the Board. A small administrative staff is based at the Justice Department headquarters in Washington. The administrative staff serves as the first-echelon point of contact for the Task Forces when Washington intervention or assistance is required. This staff is also responsible for financial management, records management, maintenance of the Case Management System and supports field operations in the 13 OCDETF regions. Each region's headquarters is located in a "core city."

The organization of each region has two principal structural components: the Task Force Advisory Committee and the Task Force Coordination Group. The Advisory Committee oversees the Task Force, while the Coordination Group shares intelligence among the agencies, decides which cases are selected, coordinates the allocation of assets among cases, and facilitates cooperation among the agencies and between regions.

Each regional Advisory Committee is comprised of all of the region's U.S. Attorneys, the Assistant U.S. Attorney (AUSA) Task Force Coordinator and the coordinators for each participating agency, and the senior regional representatives of those agencies. As the senior official responsible for each Task Force's performance, the core city U.S. Attorney chairs the committee and supervises the AUSA Coordinator.

The Task Force Coordination Group plays a central role in coordinating the OCDETF Program within its region. Consisting of the AUSA Task Force Coordinator and coordinators from each participating Federal agency, the Coordination Group evaluates cases proposed for Task Force designation. The group also reviews the use of Task Force resources, resolves disputes between member agencies, and designates specialists within the Task Force to appropriate case-related functions.

In the non-core cities, District Drug Enforcement Coordination Groups review investigation selection, resource allocation, and the progress of Task Force efforts. Each non-core city U.S. Attorney selects an AUSA to serve as lead Task Force Attorney for the district. This Lead Task Force Attorney coordinates case selection with representatives of the participating agencies, is responsible for district reporting tasks, and serves as liaison with the core city Task Force office.

State and Local Participation

From the Program's inception, State and local law enforcement elements have worked closely with the Task Forces. The OCDETF "Guidelines" promote joint involvement of State and local authorities in the investigation, apprehension, and prosecution of major drug traffickers and their organizations.

Several elements of the OCDETF Program facilitates State and local participation. Congressionally appropriated funds are available to reimburse the States and localities for overtime and expenses incurred by their personnel while participating in Task Force cases. There have been more than 2,500 active reimbursement agreements between Task Forces and State, county, or local agencies. These local agencies continue to pay the salaries of their investigators who are working on Task Force cases but are assisted in meeting the costs of overtime, travel, and per diem expenses resulting from their participation.

State and local participation is further facilitated, when appropriate to a case, by the deputation of State or local law enforcement officials. Upon deputation, State and local officers adhere to the requirements of the Federal Rules of Criminal Procedure as well as the policies and procedures of the sponsoring Federal agency.

Finally, the OCDETF Program provides for the equitable sharing of assets forfeited by drug traffickers. Sharing of assets provides a bonus to participating State and local agencies in the form of vehicles, aircraft, boats, weapons, and cash.

Member Agencies

According to the OCDETF "Guidelines," one of the program's main objectives is "...to promote a coordinated drug enforcement effort in each Task Force region, and to encourage maximum cooperation among all drug enforcement agencies...." Throughout its six years of operation, the OCDETF Program has pursued this objective.

Many of the Task Force investigations are so complex and labor intensive that they could not have been conducted without cooperation among the OCDETF Program agencies. Most, if not all, of these investigations require a mix of skills, experience, and jurisdiction possessed by no single agency.

Each of the Federal Task Force members brings its own special skills and methods to the Program. Members come from three Cabinet-level departments: Justice, Transportation, and Treasury.

1. The U.S. Department of Justice. The Deputy Attorney General is the chairperson of the OCDETF Program Executive Review Board (ERB). The Justice Department provides central administrative support and, through Assistant U.S. Attorneys in core cities, supports coordinated field-level operations. Participating Justice agencies include the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), the Immigration and Naturalization Service (INS), the U.S. Attorneys' offices, and the U.S. Marshals Service. Support for the Program is also provided by the Department's Tax and Criminal Divisions.

   The effective use of the expertise of these components is an indispensable tool in the OCDETF Program. Thus, DEA's narcotics investigative experience, knowledge of drug distribution organizations, and close working relations with State and local authorities make this agency essential to every Task Force. The same holds true for the FBI which brings to the Program the ability to gather and analyze intelligence data and to deploy and manage sophisticated electronic surveillance and undercover techniques.

   The Immigration and Naturalization Service (INS) has statutory responsibility for the admission, control, and removal of aliens. Pursuant to this authority, INS identifies and screens high-risk persons entering the United States to curtail alien involvement in illicit narcotics enterprises.

   The U.S. Marshals Service is charged with safeguarding the integrity of the judicial process by preventing jury tampering and disruption in the courtroom. The Marshals Service also manages seized assets and those assets forfeited by drug traffickers, and has a major responsibility in bringing fugitives to Justice.

2. The U.S. Department of Transportation. The Transportation Department participates in the OCDETF Program through the U.S. Coast Guard. Primarily an interdictive agency in a program mainly comprised of investigators and prosecutors, the Coast Guard has assumed a variety of functions that meld with the work of the other Task Force agencies. Coast Guard coordinators participate in case selection, analysis, and review; serve as liaison with the military services; and provide valuable intelligence and guidance on cases with maritime connections. The Coast Guard shares responsibility with the U.S. Customs Service for enforcing Federal drug smuggling statutes and for air and sea interdiction.

3. The U.S. Department of the Treasury. Participating Treasury agencies are the Bureau of Alcohol, Tobacco and Firearms (BATF), the Internal Revenue Service (IRS), and the U.S. Customs Service.

BATF's special role in enforcing Federal firearms, explosives, and arson laws gives the Program access to special expertise in dealing with drug traffickers who are well armed and increasingly prone to violence. BATF's jurisdiction and capabilities make it a well-suited partner to other agencies participating in the war against illegal drugs.

The IRS actively participates in Task Force cases through its investigation of tax-related violations of the Internal Revenue Code. The IRS's Criminal Investigation Division also investigates money laundering operations, enforces major provisions of the Bank Secrecy Act, and assists in asset seizure and forfeiture actions. Additionally, the IRS's Examination Division may initiate jeopardy and termination tax assessments in cases where the collection of a tax may be in jeopardy.

Along with the IRS, the U.S. Customs Service has been especially effective in conducting financial investigations. Through the analysis of computer data collected under the Bank Secrecy Act, Customs identifies drug traffickers and money-launderers for Task Force investigations. Customs' capacity to track the international movement of cash, persons, and commodities complements the drug trafficking investigations of other Task Force agencies. The Customs Service is also a major interdictive agency. Its mission includes the interdiction of drug shipments through all ports of entry into the United States.

Accomplishments and Workload: The OCDETF Program's synchronization of multiple investigations against common target organizations; its effective use of attorneys at the early stages of investigations; its use of financial investigations to reach otherwise invulnerable targets; and its unprecedented success in fostering collaboration among law enforcement agencies from all jurisdictions above has demonstrated the efficacy of OCDETF's operational model.

In the years since its creation, OCDETF has established itself as the "flag ship" of the Federal drug enforcement effort. The National Drug Control Strategy, submitted to Congress on September 5 by President Bush, recognizes the success of the OCDETF model. It reports that,

> "...OCDETF is able to direct thorough, imaginative, and wide-ranging assaults on the movements and activities of drug dealers. Through its 13 regional task forces, the OCDETF program also provides one of the crucial links between Federal and State authorities, enhancing the exchange of information and enforcement strategies. These programs should serve as a model of interagency coordination and be a priority for future expansion in Federal drug enforcement."

After six years, it has become apparent that the most promising strategy for combating major illicit drug traffickers is the OCDETF type of investigation and prosecution. The OCDETF Program prosecution strategy is to immobilize drug trafficking and money laundering organizations by incarcerating organization members; causing forfeiture of organization and individual assets, thus, divesting them of their power; and, where appropriate, extraditing, deporting, and excluding organization members. To achieve these ends, the Task Forces have directed their resources at those significant national and international targets against whom successful prosecution has the greatest impact.

From its inception late in 1982 through the end of 1988, the Task Forces:

- initiated 2,352 investigations, resulting in 4,917 indictments and criminal informations,
- charged over 8,200 top-and mid-level leaders and major suppliers,
- charged 784 persons with CCE violations and 934 individuals with RICO violations, and
- seized cash and property assets totaling $917 million.

During this period, about 10,000 individual defendants were found, or pled, guilty to at least one charge. More than 80 percent of these were handed prison sentences, with many imprisoned for life.

The major focus of OCDETF investigations continues to be on organizations whose primary purpose is drug trafficking or on organizations, involved in felony crimes, whose members also engage in drug trafficking (89 percent), with a secondary focus on traditional organized crime (5.1 percent).

Clearly demonstrating the success of the Program's strategy of devoting the time and resources needed for indepth investigations is the fact that nearly two-thirds of those charged during the Program's first six years have been major figures. These figures range from top and mid-level leaders through the suppliers, enforcers, and money launders who grease the wheels of the drug organizations.

Over the first six years of Task Force development, results have reflected the success of the OCDETF's targeting strategy: reaching above the retail and "middleman" levels of the drug trade. Most of the charges brought in OCDETF indictments were against leaders, lenders, launderers, and major suppliers as opposed to smugglers, enforcers, and other lesser transportation and distribution functionaries. In 1988 approximately 80 percent of criminal organizations targeted were believed to spread beyond a single judicial district. About one-third of targeted organizations had apparent links to international interests and assets.

Illustrative of OCDETF's success in targeting high-level drug traffickers is the fact that high-level targets accounted for approximately 80 percent of all prison time sentenced during the OCDETF's first six years. Top leaders accounted for 29.5 percent of those years behind bars. These top leaders drew an average prison sentence of 13.6 years. During this period, top leaders were sentenced to a total of nearly 16,000 years in prison. Major suppliers and mid-level leaders drew average sentences of 6.6 and 6.5 years, respectively.

Another indicator of the significant target level reached by the Task Forces is the fact that, more than 2,500 separate OCDETF investigations targeted drug financing and drug importation organizations.

. Consolidated Workload of the OCDE Task Force Program is presented in the following table: (Selected investigative case examples are available in the 1988 Annual Report).

Item	1988	1989	Estimates 1990	Estimates 1991
Investigations	471	500	566	699
Indictments	1,332	1,629	1,850	2,284
Individuals indicted	4,749	5,484	6,236	7,699
Convictions	2,234	2,498	2,869	3,542
Seizures (in millions of dollars	$350	$544	$600	$745
Forfeitures (in millions of dollars)	$107	$49	$120	$149

Note: Workload statistics for the OCDE appropriation were developed by the OCDE Task Force Administrative Staff and represent the entire program. Workload statistics for each agency's involvement in the OCDE Task Force Program are reflected in their own budgets. The estimates for 1990 and 1991 have been revised based on the most current information available, and differ from those shown in the President's Budget.

Program Changes:

Activity: Drug Law Enforcement	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Drug Enforcement Administration..........	837	824	$70,766	963	874	$91,316	126	50	$20,550

A program increase of 126 positions (93 Special Agents and 33 support), 50 workyears, and $20,550,000 is requested for DEA. This includes $1,800,000 in program funding for State and local overtime costs. The request directly supports DEA's strategic planning initiative to target and immobilize major drug trafficking organizations.

Special Agents

An additional 126 positions (93 Special Agents and 33 support), 50 workyears, and $18,750,000 are requested to enhance DEA's program participation. The Nation's problem of drug trafficking and abuse requires a comprehensive strategy addressing suppression, interdiction, investigations at all level, education, demand reduction, and user accountability. While all aspects of the strategy are required to wage a successful war against drug trafficking, DEA's highest priority remains the destruction of the sources of drug supply. DEA is in a unique position to draw upon its domestic and foreign resources as well as its intelligence capabilities to target investigations designed to produce the maximum impact on drug traffickers and drug trafficking organizations. Since early 1983, DEA has been a principal component of the comprehensive approach to drug law enforcement embodied in the OCDETF program.

Currently, 20 percent of DEA's workforce is dedicated to OCDETF investigations. These investigations include some of DEA's most significant enforcement efforts and have been responsible for 31 percent of the agency's asset seizures. However, it should be noted that these investigations are not spontaneously developed; they are a function of the complex interrelationship of all of DEA's investigative activities.

For example, DEA has been increasingly focusing its efforts in its Special Enforcement Operations/Programs (SEO/Ps). SEO/Ps are among DEA's highest priority enforcement initiatives. Through the strict allocation of centrally managed resources, SEO/Ps are developed for a specific purpose, are designed with specific investigative and program goals, and are limited in duration. Because of their multi-jurisdictional and often international nature, SEO/Ps typically are controlled, managed, and reported by a Headquarters drug investigations section, thereby providing specific, high-level program expertise to several ongoing enforcement initiatives simultaneously. For example, an SEO initiated in May of 1989 is targeting various organized crime figures in Europe who have established heroin laboratories throughout France and Western Europe for the conversion of morphine base. Several other SEO/P's are targeting street gangs responsible for the distribution of crack, enforcement/interdiction efforts in coordination with the

National Guard, and enforcement against the retail diversion of Dilaudid nationwide. The overwhelming majority of DEA's SEO/Ps eventually lead to successful OCDETF investigations. Consequently, the requested increase will be used in supporting the OCDETF designated investigations which flow out of the SEO/Ps as well as other more traditional investigative activities.

The requested funding will allow DEA to expand it's already extensive participation in the OCDETF program. Other DEA programs, including SEO/Ps have proven their value by generating complex investigations of violators and their networks while continuing the development and exploitation of DEA's intelligence capabilities. As a result, the increases are needed to support the OCDETF investigations which flow out of the DEA Base programs. Heretofore this support has been drawn from the DEA Domestic Enforcement operations (overburn) or have not been addressed.

In 1989, DEA funded 16 new SEO/Ps and is anticipating doubling the number in 1990. In light of recent experience, and with the renewed emphasis placed upon the OCDETF program by the Attorney General, it is most likely that these new SEO/Ps will generate a far greater number of OCDETF cases by 1991 that must be supported by the requested increase. In addition, additional agents requested in its direct 1991 budget request will also develop cases that will increase the workload of the OCDETF program.

State and Local Overtime

An increase of $1,800,000 is requested for this beneficial program. The Organized Crime Drug Enforcement Task Force Program encourages the joint involvement and participation of State and local law enforcement personnel in the investigation, apprehension and prosecution of major drug traffickers and drug trafficking organizations. Experience shows state and local law enforcement personnel can play a vital role in OCDE Task Force cases. To support and continue such joint participation, funding of $3.2 million is currently available to reimburse state and local law enforcement agencies for overtime costs and authorized travel and per diem expenses incurred by state and local law enforcement personnel assigned to work on Task Force cases. Additional resources have been requested by every region and by each agency participating in the OCDETF program. The request will increase the amount available for this effort in 1991 to $5 million.

The OCDETF Administrative Staff is the coordination and policy office for this effort. The Administrative Staff coordinates: (1) all state and local agreements and reimbursement requests with the Drug Enforcement Administration; and (2) requests for deputation. The Administrative Staff develops the policy and procedures for the program with support from OCDE Task Forces and the OCDE Task Force Agencies. The Assistant U.S. Attorney Task Force Coordinator coordinates and manages the funding and deputation requests for each Task Force Region. The Agency Task Force Coordinator(s) requesting overtime, travel and per diem funds for state and local law enforcement personnel submits the individual agreements and reimbursement requests which have been forwarded to them by their agency's field Special Agent in Charge (SAC) to the Assistant U.S. Attorney Task Force Coordinator. The Task Force Coordination Group, chaired by the Assistant U.S. Attorney Task Force Coordinator, reviews and approves or disapproves each request to obligate overtime, travel and/or per diem funds for each specific agreement.

There have been more than 2,500 active reimbursement agreements between Task Forces and State, County, or local agencies. These local agencies continue to pay the salaries of their investigators who are working on Task Force cases but are assisted in meeting the costs of overtime, travel, and per diem expenses resulting from their participation.

The State and local overtime program helps to facilitate a maximum contribution from state and local governments and elevates their efforts toward higher-level multi-jurisdictional investigations. By working together, member agencies and State and local police officers achieve increased cooperation and communication that aids the investigative process at the working level to help make OCDETF cases more productive. In addition, the program expands the available workforce with a resulting increase in arrests and convictions.

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Federal Bureau of Investigation.	637	637	$53,311	911	861	$88,787	274	224	$35,476

A program increase of 274 positions (154 agents, 120 support), 224 workyears and $35,476,000 is requested to support OCDETF activities.

OCDE Field Request

The FBI is requesting an increase of 261 positions (152 field agents and 109 general support), 217 workyears, and $28,236,000 in its OCDETF resources. This enhancement would bring the FBI's OCDETF funded level closer to the existing utilization level, thereby insuring that the FBI would be able to continue to devote investigative resources near its current level of commitment.

The FBI has been funded for 414 OCDETF agent positions since 1985 and has consistently reflected a utilization rate of approximately 20 percent above its funded level. Currently, an estimated 586 agent workyears or 172 agent workyears over the funded level are being used by the FBI in OCDETF investigations. This over-obligation of FBI resources to OCDETF matters has been to the detriment of other high priority investigative programs, such as Organized Crime and White-Collar Crime, and cannot continue. Without this minimal increase in personnel resources, the FBI will be forced to severely reduce its level of commitment to OCDETF at a time when the drug trafficking problem has become epidemic, touching virtually every citizen's life in some way.

The FBI's OCDETF effort addresses Colombian/South American, European/Italian, Asian, and other emerging drug trafficking organizations such as the "Bloods," "Crips," and Jamaican Posses. Agent and support resources directed at these groups utilize physical and electronic surveillances; Racketeering Enterprise Investigations (REIs); money-laundering investigations; Undercover Operations (UCOs); asset seizures; and provide analytical functions to enhance the intelligence base. These sophisticated investigative techniques provide the most effective means for identifying and penetrating principle drug trafficking organizations and their networks.

The FBI is currently addressing, in part through OCDETF cases, approximately 40 percent of the identified drug trafficking groups. Targeting these organizations is in furtherance of the OCDETF objectives of reducing the incidence of illegal drug trafficking and the criminal and societal problems attendant to drug trafficking.

FBI intelligence has revealed that Colombian/South American trafficking organizations have expanded their operations from southern Florida to the southwest, eastern seaboard, and the Gulf Coast states. The Miami FBI Field Office alone has identified approximately 200 Colombian/South American drug trafficking organizations operating within southern Florida, all of which cannot be addressed due to insufficient resources. New York City and Los Angeles have also been identified as major distribution centers for these drug trafficking groups.

Additionally, intelligence has also disclosed that Mexican drug trafficking organizations, once operating primarily in the southwest United States and southern California, have now spread across the entire country. This problem is not being addressed adequately due to insufficient resources. Current personnel utilization levels, much less funded levels do not permit investigation of all the identified organizations. The Southwest U.S. border has been identified as a strategic drug trafficking region. Given that more than one-third of all heroin entering the U.S. comes from Mexico and that the Mexican Organizations play an increasing role as a conduit for South American cocaine, the FBI must at least maintain, if not enhance, its investigative commitment to this growing threat.

The 109 general support positions are required to perform clerical and related functions in support of OCDETF FBI drug investigations. Critical word processing, file maintenance, evidence control, trial preparation, and other non-investigative administrative functions, must be performed to support investigations. Without proper support, agents are relegated to performing these clerical functions.

Confidential Case Funding

Due to the increasing costs of leased lines and the increase in the number of pen registers and Title III's being used, additional confidential case funding in the amount of $3,411,000 to support new and ongoing investigations is required. Electronic surveillance techniques are frequently necessary to identify members of distribution networks, trace funds and identify members of distribution assets for forfeiture. In addition to an increase in the number of telephone lines leased, these lines must be leased for increasingly longer periods of time due to the complex and international aspects of these investigations.

Radio Communications

Two electronics technician positions (one workyear) and $795,000 are required to augment FBI radio communications support of drug investigations. Included in this request is $500,000 for special case radio equipment, $250,000 for high-frequency (HF) radio equipment, and two electronics technician positions (one workyear) and $45,000 for frequency management and equipment maintenance and repair.

Major drug investigations often require that additional radio equipment be provided to involved field offices to enhance surveillance and operational communications capabilities for the duration of the investigation. The requirement for radio communications support is usually made on short notice, thus requiring that equipment be available for deployment without delay. Additionally, the multi-jurisdictional and multi-agency nature of Organized Crime Drug Enforcement task force investigations, surveillances, and operations require that participants have compatible communications capabilities. Oftentimes, the FBI has been requested to lend hand-held radio and other equipment to other Federal, State, and local law enforcement agencies involved in joint investigations.

An increase of $500,000 in equipment funding is required to acquire additional tactical radio equipment for drug investigations needing supplemental communications capabilities. The existing inventory of special case radio equipment is limited and deployed on a nearly continuous basis. Moreover, due to a steadily growing number of requests for supplemental equipment, the FBI is unable to satisfy all field office requirements.

High-frequency (HF) radio is used for long distance communications, such as ship-to-ship, ship-to-shore, aircraft, and land points both inside and outside the boundaries of the United States, which are beyond the range of normal agency very high frequency radio communications. HF radio is used as a common means of communicating with other Government agencies, such as the Drug Enforcement Administration, United States Customs Service, Federal Aviation Administration, United States Coast Guard, and United States armed forces. This interoperability is critical to supporting and participating in joint investigative and interdiction efforts.

The National Telecommunications Master Plan for Drug Enforcement found that a significant number of HF assets within the drug enforcement community could be more effectively used to support requirements during joint operations. Equipment funding totaling $250,000 is needed to initiate the acquisition of automatic link establishment HF radio equipment for the FBI to support its involvement in joint drug investigative efforts.

Two electronics technician positions (one workyear) and $45,000 in personnel funding is required to provide additional frequency management support for drug investigations and to service and maintain radio communications equipment deployed to field offices. The additional communications workload resulting from the establishment of drug task forces requires increased radio frequency management support to identify available spectrum resources, coordinate and process frequency use applications with other agencies, resolve interference problems, research legitimate/illegitimate licenses associated with suspected drug activity, and set up frequency management plans for field offices.

Physical Surveillance

An increase of two agent and two electronic technician positions (one agent workyear and one electronics technician workyear) and $1,304,000 is required to enhance FBI physical surveillance capabilities in drug-related investigations, including two electronics technicians positions (one workyear) and $45,000 in personnel funding and $500,000 for closed circuit television equipment; $250,000 for day/night vision equipment; $250,000 for radio frequency tracking devices; $111,000 for equipment to outfit surveillance vans used during drug investigations; and two agent positions (one workyear) and $148,000 to conduct court-approved surreptitious entries to install and retrieve electronic surveillance equipment.

Closed circuit television (CCTV) is a key investigative and prosecutive tool in drug investigations. CCTV is a key investigative and prosecutive tool in drug cases to maintain discreet surveillances of subjects, buildings, and other locations used for transacting illegal drug activities. Recordings of drug deals and meetings between traffickers and associates are used by agents to help direct investigations and by prosecutors to aid in the prosecution of subjects by providing juries with visual evidence of illegal acts. Additionally, CCTV is used to monitor the safety of agents engaged in undercover operations. Equipment funding totaling $500,000 is requested to acquire CCTV equipment and systems for use in drug investigations. Two electronic technicians positions (one workyear) and $45,000 are requested to service and maintain CCTV equipment deployed for drug investigations.

Day/night vision equipment, such as night-vision goggles, night-vision starlight scopes, night-vision pocketscopes, covert light sources, telescopes, and binoculars, are needed for agents engaged in surveillance activities. Oftentimes, surveillances of drug traffickers and associates must be performed during the night-time, when traffickers believe there is the least chance of being discovered or detected. Funding totaling $250,000 is needed to augment the inventory of day/night vision equipment available for deployment to agents conducting drug investigations.

Tracking devices emitting radio signals, such as vehicle tracking systems and satellite tracking beacons, are used in surveillances of drug traffickers and others involved in illegal drug activities. Devices are used to track the movement of subjects, vehicles, aircraft, vessels, and packages. Funding totaling $250,000 is needed to acquire additional radio tracking devices for deployment in drug investigations.

Specially modified and equipped surveillance vehicles are instrumental to conducting moving and stationary surveillances of drug traffickers. To prevent discovery of surveillance vehicles and personnel conducting surveillances by criminals, a variety of modified and equipped vehicles must be available for use by agents. Funding totaling $111,000 is required to convert and modify non-traditional vehicles for use as surveillance vehicles and acquire technical equipment and environment systems to support surveillance activities.

Surreptitious entries are an essential requirement to deploy electronic and physical surveillance devices against increasingly sophisticated drug traffickers. An increase of two agent positions (one workyears) and $148,000 is needed to perform court-approved entries in drug investigations.

Electronic Surveillance

To augment the electronic surveillance capabilities of the FBI, an increase of three positions (one workyear) and $1,045,000 is requested. This request includes: $100,000 for cellular telephone intercept; two positions (one workyear) and $245,000 for digital telephone intercept; $250,000 for facsimile intercept and pen registers; $100,000 for microphones; $200,000 for radio frequency (RF) transmitters; and one position and $150,000 for open-reel, cassette, and other recorders and duplicators.

The increasing use of court-approved electronic surveillance in drug cases generates a requirement for additional technical equipment to effect the intercept of conversations. Without question, the evidence gathered and recorded using electronic surveillance equipment and techniques is one of the strongest tools available to investigators and prosecutors. This evidence directly places subjects as participants in drug deals and related criminal activities.

Criminals involved in selling illegal drugs use cellular telephones to conduct trafficking business and related activities knowing, in part, that the intercept of this type of communication by law enforcement is more difficult. It is projected that 76 requests to intercept cellular telephone conversations in drug investigations will be made in 1991; however, funding is available to conduct only 37 of the intercepts. Funding totaling $100,000 is requested to perform an additional 22 cellular intercepts in support of drug investigations.

Integrated services digital network (ISDN) is the first world-wide advance in the art of telephony since direct distance dialing. This new communications scheme consists of many aspects - transmission, common channel signaling, protocol conversion, and services. The expansion of ISDN poses a significant threat to the FBI's ability to conduct electronic surveillances and collect dialed-digit information. Funding totaling $200,000 is required to initiate the development of new intercept techniques and equipment to interface with ISDN technology so that court-approved electronic surveillances can be conducted on telephone systems using ISDN. Two electronics technician positions (one workyear) and $45,000 are requested to support the development of digital intercept techniques.

Requests to intercept facsimile transmissions between drug traffickers are increasing as criminals embrace and exploit the latest high-technology communications capabilities to control and support drug networks and activities. The FBI has developed a facsimile intercept capability to support drug investigative operations and money-laundering cases. Additionally, the recording and analysis of telephone number information collected by pen registers is valuable in identifying associates, contacts, and customers of drug traffickers. The FBI has developed the capability to directly download telephone call record information into its Field Office Information Management System (FOIMS). This automatic downloading capability eliminates the need to manually enter telephone call records and can be accomplished on a more timely and accurate basis. Funding totaling $250,000 is needed to acquire additional facsimile intercept systems, dialed number recorders, and consolidated dialed number recorder software.

Nearly every major drug investigation involves the use of court-approved electronic surveillance. Consequently, there is a continued demand for microphones and receiver systems to conduct such surveillances. An inventory of 300 microphones is needed to support drug investigations; however, only 53 microphones would be available in 1991. Funding totaling $100,000 is requested to acquire an additional 45 microphones and 11 receivers for deployment during drug investigations.

Radio frequency (RF) transmitters are used in drug investigations to gather evidence of illegal criminal activities. These devices can be concealed in an item, such as a lamp or a book, or worn on the body of an informant, cooperating witness, or undercover agent. Because conversations are remotely monitored in a real-time mode, RF transmitters help insure the protection and safety of undercover agents penetrating drug trafficking organizations. Funding totaling $200,000 is needed to acquire additional RF transmitters and concealments for RF transmitters.

The successful conduct of court-approved electronic surveillance requires sufficient quantities of open reel and cassette tape recorders, as well as tape duplicating and related devices. The FBI's inventory of recording equipment is inadequate to support the growing requirements associated with an increasing number of drug-related electronic surveillances. There is also a constantly growing demand for miniature body recorders used to record conversations between cooperating witnesses and undercover agents meeting with drug traffickers. An increase of $150,000 is needed to replace open reel and cassette recorders and additional miniature body recorders and tape duplication equipment. One electronics technician position is also required to service and maintain field recording equipment.

Research and Developments

An increase of 2 positions, 2 workyears and $390,000 is requested for technical support.

One of the most vexing problems being encountered in drug investigations is the increasing use of open areas, such as park and streets, by drug traffickers to conduct illegal business. Such open areas do not lend themselves to the use of traditional court-approved electronic surveillances. Consequently, techniques and equipment to remotely intercept conversations conducted in open spaces must be developed if law enforcement is to effectively combat the illicit use of drugs. Funding totaling $100,000 is required to support the development of a prototype sensitive directional microphone system for use in conducting court-approved electronic surveillances in open areas.

The fast-paced nature of drug investigations requires the capability to produce specialized technical collection devices on a quick turn-around basis. The FBI has successfully applied rapid-prototyping technology, such as computer-aided design, computer-aided manufacturing, and computer aided-engineering, to reduce by 75 percent the time required to fabricate specialized devices for drug and other investigations. As a result, the FBI is able to exploit "windows of opportunity" in drug cases on a more expedited basis. Funding totaling $100,000 is needed to augment computer-aided capabilities for the design of custom integrated circuits used in concealments and to provide added mechanical design and computer performance simulation. Additionally, one electronics engineer position and workyear and $45,000 is required to provide system management and design capability. These enhanced design capabilities are essential to serving FBI agents who require on short notice specialized technical devices to achieve investigative goals.

Complimenting the successful design of custom integrated circuits and devices is the actual fabrication of mechanical brackets, fixtures, enclosures, and concealments in metal, wood, plastic, and composite materials. These devices support communications and surveillance activities. Antenna development and testing insures custom devices perform properly to covertly transmit or receive surveillance information and for direction-finding and tracking of vehicles and narcotics shipments. Fabrication and antenna activities are critical to the successful deployment of technical equipment in drug cases since many of the devices deployed are one of a kind, not commercially available, and must be assembled in response to tight deadlines. Funding totalling $100,000 is requested to acquire machine tools needed for mechanical fabrication of devices and for antenna development. One engineering technician position (one workyear) and $45,000 is required for fabrication support.

Electronic analysis

Two positions, one workyear and $295,000 is sought for enhanced electronic analysis.

Drug traffickers are known to extensively use radio communications to direct and control the smuggling and distribution of drugs in the United States.

Often, coded messages are passed in order not to disclose the true purpose of the communication. Broadcast schedules are altered in time and frequency to thwart the efforts of law enforcement to interdict drug transactions and deliveries. Successful interception and location of drug trafficker radio base stations in the United States which direct smuggling activities could provide the FBI with a valuable weapon to further identify drug networks. Funding totaling $250,000 would allow the FBI to begin the acquisition and deployment of sophisticated radio interception, identification, and location equipment that could be used from fixed and mobile locations to intercept, identify, and locate the sources of drug traffickers radio communications. Two electronics technician positions (one workyear) and $45,000 are required to support the development and deployment of radio communications interception systems.

The drug problem today touches the lives of every person in this country. The FBI has attempted to balance its commitment to OCDETF in all regions of the program. Expanding drug investigative resources in the principal drug importation and distribution cities - Miami, Los Angeles, and New York - is a most efficient method of cutting the chain of supply to smaller inland and rural areas. Yet, despite the major emphasis on the metropolitan areas, the FBI maintains, to a limited degree, its drug investigative role in attacking regional drug trafficking groups in concert with state and local law enforcement. The requested increase of 179 agent workyears would enable the FBI to maintain only its commitment to OCDETF in the principal and secondary drug distribution cities. Without this increase, the FBI would be forced to virtually eliminate its participation in the less critical OCDETF regions and severely reduce its OCDETF resource commitments in secondary drug distribution cities, such as Detroit, Boston, Atlanta, and Baltimore. It is not solely FBI resources that would be lost to the OCDETF program in those areas. With the requested resources comes the years of expertise in conducting the quality of investigations that are required to dismantle the major, multi-national, drug trafficking conglomerates.

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Immigration and Naturalization Service...........	94	94	$7,599	123	108	$10,022	29	14	$2,423

A program increase of 29 positions (24 agents, 5 support), 14 workyears and $2,423,000 is requested to support the INS OCDETF effort as the increasing presence of criminal aliens involved in organized drug trafficking continues to pose a threat to the United States.

The program increase, which, along with the 94 positions provided by Congress in 1990 would finally provide funding for the INS OCDETF staff overburn. That overburn was funded entirely from the basic appropriation for the period covering 1987 to 1989. The 1990 request provided for 77 special agent and 17 support positions. The additional 24 special agent and 6 support positions would finally compensate for the current agency commitment to the OCDETF program.

In 1987, INS committed 100 special agent positions to the OCDETF program: 13 Core City Coordinators for the Task Force Regions; and 87 field agents assigned full-time to OCDETF duties within the INS district offices. Additionally, INS has assigned one Senior Special Agent at headquarters as the INS OCDETF program coordinator and alternate representative to the OCDETF Washington Area Representative Group. These positions were distributed from agency allocations obtained under the Immigration Reform and Control Act of 1986. Recognizing the critical importance of the War on Drugs and the significance of full participatory membership in the OCDETF Program, INS determined that these resources merited initial diversion to the OCDETF Program. Although not specifically designated, the agent positions have been supported by clerical support also charged to the base appropriation.

Proactive investigations of narcotic enterprises have established that most of the criminal organizations threatening this nation are composed of aliens or utilize the services of aliens to engage in the full gamut of violations under INS jurisdiction. Therefore, almost by definition, international narcotics trafficking involves aliens. The unique jurisdiction and the expertise exercised by INS Special Agents in the investigation of aliens is a valuable tool in efforts used to combat illicit narcotics trafficking.

INS, in spite of its relatively brief period of participation, has become an important component of the OCDETF program. Contributions made to the program for 1989 include participation in 187 OCDETF investigations; lead or co-lead in 90 investigations; responsible for or assisted in drug-related seizures and/or forfeitures that include almost $20 million in cash, 308 vehicles, over 900 weapons, large amounts of ammunition and explosives, drugs (cocaine, heroin, marijuana, crack, etc.); and INS Special Agents arrested 1,825 aliens involved in illegal drug activities as a result of OCDETF initiatives.

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
U.S. Customs Service............................	226	226	$14,984	351	316	$25,300	125	90	$10,316

Since 1984 Customs has supported the OCDETF program with appropriated funds of around $14 million and 226 positions. No increases have been received and none were requested for 1990. In fact, Customs has experienced "erosion" in that 226 workyears have been maintained since 1984 with no increases.

An increase of 125 positions (92 agents, 33 support), 90 workyears and $10,316,000 is requested to assist in meeting the USCS primary mission in OCDETF-the destruction of major drug trafficking organizations by disrupting the laundering of their drug proceeds.

The items of increase are as follows:

1. An increase of 125 positions, 90 workyears, and $6,704,000 will enable the Customs Service to pursue joint money-laundering initiatives with its foreign counterparts. The additional 125 positions would allow Customs to remain a participant in narcotics smuggling and international money laundering investigations initiated by other agencies. Customs would pursue the international money laundering aspects thus allowing the other agencies (DEA and FBI primarily) to devote their resources to the narcotics trafficking aspects of the case.

   Also, the requested positions would permit Customs to pursue through the Task Forces those additional international money laundering investigations which are expected to be developed as a result of new initiatives with foreign counterparts. To follow up on the successes of Operation C-Chase and Operation Polar Cap, and to build upon Customs considerable expertise in the international law enforcement area, a Customs Financial Enforcement Strategy has been developed. The leading initiative in the Strategy is the development of international money laundering intelligence and the initiation of international money laundering investigations with the assistance of foreign police agencies. Channels for exchange of financial intelligence through an informal Customs-to-Customs money laundering information and investigations network are already in place with various foreign counterparts. The expected increase in joint international financial investigations will be coordinated with Federal and State/local agencies through the Task Forces.

2. With an increase of $208,000 in equipment funds, Customs will install TECS II terminals in spaces occupied by coordinators in each of the thirteen core cities.

3. An increase of $2,000,000 is requested for Purchase of Information/Purchase of Evidence (PI/PE) funds, and $1,200,000 to support task force special operations or to fund Title III wire intercepts.

4. An increase of $204,000 will enable Customs OCDETF Coordinators, regional program managers, and selected SACs to meet at least quarterly with Headquarters managers to confer on drug smuggling trends, new money laundering methods encountered, and policy matters.

With approval of this request, long term undercover money laundering operations with the assistance and cooperation of law enforcement agencies in several foreign countries would be implemented. The informal Customs-to-Customs money laundering investigations network will facilitate expeditious exchange of financial intelligence information and promote cooperative investigations with foreign counterparts, hereby bringing foreign counterparts under the OCDETF umbrella.

Requested funding will allow more Customs participation in drug smuggling and money laundering investigations being conducted by the task forces. Currently, due to other priorities, Customs field managers must decline to participate in numerous task force investigations initiated by other agencies, many of which should have Customs involvement. With the requested funding increase, Customs will be able to participate in additional investigations initiated by other task force agencies.

Increased funding for quarterly conferences between Customs field personnel and headquarters staff will result in Customs Coordinators being better equipped to act as the focal point with other OCDETF agencies in the area of major drug and money laundering investigations.

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Bureau of Alcohol, Tobacco and Firearms.	135	128	$8,885	135	128	$9,697	...	...	$812

An increase of $812,000 is requested for FY 1991 to support the Bureau of Alcohol, Tobacco and Firearms' efforts within OCDE. No increase in workyears or positions is being requested.

This funding increase (overtime-$750,000; mission travel-$62,000) is requested to support court ordered wiretaps based on firearms investigations.

The Anti-Drug Abuse Act of 1988 (ADA) amended 18 U.S.C. section 2516 to include as predicate offenses all felony violations of 18 U.S.C. sections 922 and 924 and 26 U.S.C. section 5861. This amendment granted BATF the authority to obtain court orders authorizing electronic interception of oral or wire communications in firearms investigations. Prior to the passage of the ADA act, the Bureau's authority to conduct electronic interception of oral or wire communications was limited to certain violations of Federal explosives laws. This new amendment enables the Bureau to expand the usage of this valuable investigative tool to firearms investigations which are a part of (OCDETF).

In order to implement this new authority provided by Congress, BATF is requesting a budget enhancement. The increase in funds is required to support these long-term, expensive and labor-intensive investigations. Since most of BATF's districts are relatively small in staffing, much of the cost will be in travel and overtime expenses.

During FY 1991, it is expected that three (3) conspiracy-type firearms trafficking OCDETF investigations will be completed utilizing this investigative tool. These types of investigations are major undertakings and require intense effort and coordination. The use of court-ordered electronic interception has proven an effective tool against organized criminal groups. The most sophisticated criminals take careful steps to hide their criminal activities. They are often shielded by very close associates or even family members. This amendment will greatly affect BATF's ability to investigate and apprehend major career criminals who are not vulnerable to routine undercover investigations due to the insulated environment in which they conduct their operations. The authority to use electronic interception in Federal firearms investigations will also elevate the quality of such investigations and will multiply opportunities to prosecute criminal "kingpins". The long range goal of dismantling these organized criminal groups is thereby enhanced by the use of electronic interception.

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Internal Revenue Service................	277	260	$14,951	467	414	$33,680	190	154	$18,729

A program increase of 190 positions, 154 workyears, and $18,729,000 is requested. Included within this request is $2,659,000 to establish a secure radio network system. For FY 1991, 139 special agents and 51 support positions are requested to attack the money laundering and financial crimes associated with the massive drug and contraband smuggling across the Southwest Border.

In 1989, Internal Revenue Service devoted 811 staff years and $44.8 million to support OCDETF investigations; the agency was budgeted only 260 staff years and $14.4 million. This creates an overburn of 551 staff years and $30.4 million. During 1989, the Criminal Investigation Division of the Internal Revenue Service minimally committed twenty-five percent of its total resources to the investigation of narcotics-related crimes, of which 65% was devoted to support the OCDETF Program. The Internal Revenue Service has participated in nearly 70% of all OCDETF investigations initiated, which is second only to DEA. Since the inception of the OCDETF Task Force Program, IRS has provided nearly fifty percent of Treasury's effort to it.

Ninety (90) IRS Special Agent workyears currently utilized in OCDETF investigations along the Southwest Border have been funded in fact, from other functions within IRS. These agents were assigned to the region as part of the Operation Alliance initiative commenced on August 14, 1986.

Because the type of investigations conducted by IRS are complex and long term, virtually all of the border related money laundering and financial crimes investigations in which IRS-Criminal Investigation Division has participated have been accepted into the OCDETF program principally in the Gulf Coast and Southwest Border OCDE Task Forces.

The net result is that all of the IRS resources designated as Operation Alliance are in fact an OCDETF "overburn." This request will correctly assign personnel currently working on OCDETF investigations, some of which are the direct result of Operation Alliance interdictions, to the OCDETF program.

The IRS investigations to date have shown there is a blatant disregard, by narcotics trafficking and money laundering organizations operating along the border, of federal tax laws and financial reporting requirements under the Bank Secrecy Act.

In addition, the IRS expects to direct more attention and resources along the Southwest Border at investigating legitimate business entities. These entities, including money exchange houses, substantially support the narcotics trade through their services. They do so by conducting large amounts of cash transactions and reporting only a small portion of them on the required forms. This enables narcotics traffickers to launder their drug proceeds out of the country. At the present time, there is a sustained effort in identifying and investigating these businesses. These resources will continue the detection of narcotics trafficking organizations by identifying and investigating upper echelon narcotics traffickers, financiers, money laundering specialists, and corrupt bankers, and foster increased compliance with the Bank Secrecy Act though the detection of non-filing of currency transaction reports.

The Internal Revenue Service (IRS) agents have been recognized as the Task Force financial experts. One of the main reasons for this reputation has been the Service's unique ability to identify the "professional" members of society who profit from involvement in narcotics trafficking. This classification includes the lawyers that finance and advise the organizations and in many instances help launder the illicit narcotics money. It also includes the accountants who keep the books and many times help disguise the source of narcotics proceeds; doctors, engineers, stockbrokers, and other wealthy businessmen who have helped finance loads of narcotics and who are the silent partners. This class of criminals have rarely, in the past, been prosecuted and most of the time never identified. Historically, these individuals are rarely targeted by the drug enforcement agencies since there is usually never a link between the individual and the hard narcotics. The only way to attack and identify this class of criminal is through the use of financial investigations wherein the money earned from the sale of narcotics is traced back to individuals.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
Activity: Prosecutions	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
U.S. Attorneys....................	659	626	$45,205	659	642	$47,316	956	790	$66,182	297	148	$18,866
Criminal Division.................	6	6	662	6	6	698	6	6	698	...	...	...
Tax Division......................	14	12	1,141	14	12	1,188	[illegible]	12	1,188	...	...	...
Total...........................	679	644	47,008	679	660	49,202	976	808	68,068	297	148	$18,866

This funding is used to reimburse the U.S. Attorneys, the Criminal Division and the Tax Division for their investigative support and prosecutorial efforts towards OCDE Task Force cases. Litigation efforts are targeted selectively on the criminal leadership involved in drug trafficking and are intended to dissolve organized illicit enterprises. This includes activities designed to secure the seizure and forfeiture of the assets of these enterprises.

Each of the 13 regional OCDE Task Forces is coordinated by a senior U.S. Attorney. The thrust of the OCDE Task Force prosecution activity is to encourage the maximum level of cooperation at the district level by marshaling the efforts of Federal and local prosecutors in these organized crime drug trafficking cases.

Long-Range Goal: To reduce the incidence of organized criminal involvement in all aspects of illicit drug activity in the United States through the prosecution of members of high-level drug trafficking enterprises.

Major Objectives:

To prosecute individuals who organize, direct, finance or are otherwise engaged in high-level illegal drug trafficking enterprises, including large scale money laundering organizations.

To promote a coordinated drug enforcement effort in each task force area, and to encourage maximum cooperation among all drug enforcement agencies.

To work fully and effectively with State and local drug enforcement agencies.

To make use of financial investigative techniques, including tax law enforcement and forfeiture actions, to make possible Government seizure of assets and profits derived from high-level drug trafficking cartels.

Base Program Description: Each of the 13 Task Force prosecution units consists of attorneys and support staff coordinated by a core-city U.S. Attorney who is accountable to the Deputy Attorney General on matters pertaining to conduct of the Task Force. The thrust of the OCDE Task Force prosecution program is to encourage the maximum level of cooperation at the district level by marshaling the efforts of Federal and local prosecutors and making the core-city U.S. Attorney responsible for the coordination of the Task Force.

The OCDE Task Force Program implements a major Administration initiative to combat organized crime and drug trafficking. The program represents the utmost degree of cooperation and coordination among Federal, State and local law enforcement agencies. One of the key elements of the program is the sharing of resources among drug law enforcement agencies to fight drug trafficking. The 13 regions identify, investigate and prosecute members of high-level drug trafficking enterprises to destroy the operation of those organizations. The range and nature of the investigative techniques requires continuing and intensive participation by Assistant U.S. Attorneys in the development of investigative strategy and in the provision of continuing counsel to ensure that the evidence growing out of investigations will be complete, conclusive, proper and admissible.

Task Force prosecutions benefit from the Program's broad, thorough and careful approaches. The "Guidelines" lay down distinctive principles for task

Force prosecutions:

- -- an increased emphasis on forfeitures, either in civil actions or under the criminal forfeiture provisions of the law;

- -- the use of any of a wide range of statutes, not just drug statutes, to put drug trafficking organizations out of business; and
- -- a concerted coordination of prosecutorial activities among various jurisdictions in order to achieve maximum impact on entire organizations.

When a grand jury returns an indictment or an information is filed, the case moves from the investigative to the prosecutorial phase. The prosecution of an OCDE Task Force case is qualitatively different from that of any other drug prosecution. The continual involvement of a Task Force AUSA during the investigation results in the construction of a sounder case. Prosecuting attorneys are provided with the information necessary to be familiar with all aspects of the case thereby enabling them to develop a stronger prosecution strategy.
The AUSA's specific function is to ensure that the evidence obtained is complete and admissible. The participation of agencies with a wide range of areas of expertise ensures that specific statutory violations are appropriately charged and documented. This coordination of efforts also results in a strategy that orders and times the prosecution of cases to provide not just the prosecution of individual defendants, but maximum disruption of the drug trafficking organizations involved.

The Task Force emphasis on collaboration with State and local law enforcement agencies and on the cross-designation of attorneys affords a greater choice of venues in which a case may be brought to trial. With the option of taking a case to a Federal or a State court, the prosecutors can take best advantage of the available statutory relief afforded by the two systems. Where a State's penalties for criminal possession of small amounts of drugs are more severe than the Federal penalties, prosecutors can bring the case to the jurisdiction with the more punitive statutes.

The United States Attorneys

One of the cornerstone principles of the OCDETF Program is early attorney involvement in the development of case strategy. The Task Force Program affords prosecutors the time they need to participate in the development of this strategy and to provide the necessary legal services and counsel that investigators require. They are not expected to rush cases to completion, but rather to move deliberately toward successful and comprehensive conclusions. And while Task Force attorneys carry a caseload of fewer cases, theirs are typically more intricate and long-term than those of their non-Task Force counterparts.

A second point worth noting is the development of skills by Task Force attorneys in the course of their work. For investigators and attorneys alike, the use of electronic surveillance or the mounting of undercover operations are especially time-consuming since they require extensive legal paperwork. A wiretap, for example, requires a detailed application for initial approval and repeated affidavits for renewal. The preparation of the necessary documents has become a virtual art form, and the Task Forces have proved equal to the challenge. The number of attorneys experienced in handling these matters has increased, a significant development in an area where maintaining investigative momentum is crucial. Another feature cited by attorneys themselves is the increase in their knowledge of matters relating to narcotics dealing. The courts now recognize them for their greater acumen in interpreting the narcotics environment. When applying for warrants for wiretaps, searches, or arrests, they can now more authoritatively articulate the information contained in the supportive affidavits of the investigative agencies; for example, the probability of finding narcotics ledgers or financial books and records that will show the fruits of drug trafficking, even in locations where drugs themselves are not likely to be found. Similarly, they can better represent drug dealers' cryptic conversations in support of applications for extensions of ongoing court-authorized electronic surveillance or for new supplementary surveillance. The development of such expertise in offices of the U.S. Attorneys is primarily attributable to the close working relationship among OCDETF Attorneys and experts from the investigative agencies under the aegis of the OCDETF Program.

Criminal Division

The Administration's OCDE Task Force initiative against organized drug traffickers has increased the demands on the Criminal Division to provide certain types of prosecutorial assistance and to participate directly in the development of particular cases. For example, many OCDE Task Force investigations depend upon electronic surveillance to obtain evidence on the activities of wrongdoers. By law (28 USC 2516), all electronic surveillance must be authorized by the Attorney General or a designated Assistant Attorney General. Before authorization, each application is reviewed by Criminal Division personnel, and a recommendation is made to the Assistant Attorney General. Then, following authorization of either a wiretap or the wireless interception of communications, reports must be collected and reviewed on the fruits of the surveillance. In addition to employing electronic surveillance techniques, many OCDE Task Force prosecutions rely on witnesses whose personal safety is endangered by criminal elements. A prosecutor seeking to arrange for the protection of a witness, e.g., by providing guards, by relocating the witness out of the danger area, by securing a new identity for the witness, etc., must submit a request to the Criminal Division for review as to the qualification of the witness for the program and a determination as to the level of protection to be afforded to the witness.

Tax Division

The Tax Division attorneys serve as liaison to the 13 regional OCDE Task Forces and provide litigation support, advice, and drug/tax related legal expertise in OCDE Task Force cases. Tax Division attorneys monitor the drug/tax related docket of the OCDE Task Forces to ensure that timely assistance is provided in investigations and prosecutions of major narcotics dealers. Tax Division OCDE attorneys also assist the OCDE Task Forces in financial/tax investigations and in cases under appeal which involve extremely technical and complex tax-related issues. The involvement of Tax Division OCDE attorneys in these drug/tax-related cases is extensive as these cases typically require lengthy grand jury investigations and numerous defendants each of whom is charged with multiple criminal violations.

Accomplishments and Workload: Workload statistics for the United States Attorneys activity have been combined and are reflected in the Drug Law Enforcement budget activity on page 18. Examples of OCDETF case activity can be found in the 1988 Annual Report of the OCDETF program. Accomplishments for the Criminal and Tax Divisions follow:

Criminal Division:

Item	1988	1989	Estimates 1990	Estimates 1991
Electronic surveillance applications reviewed...........	160	160	206	206
Witnesses accepted in protection program................	163	214	314	464
Extradition requests transmitted.........................	132	145	175	205
Judicial assistance requests submitted..................	88	95	125	150

Tax Division:

	1988	1989	Estimates 1990	Estimates 1991
1. OCDE Case Receipts				
a. Complex Cases..................................	141	178	195	205
b. Outgrowths.....................................	108	96	101	106
Subtotal.......................................	249	274	296	311
c. Grand Jury Investigations..............................	65	55	60	63
Total Case Receipts.............................	314	329	356	374
2. OCDE Case Closings				
a. Complex Cases..................................	85	87	92	95
b. Outgrowths.....................................	108	70	75	80
Subtotal.......................................	193	157	167	175
c. Grand Jury Investigations..............................	42	35	40	42
Total Case Closings.............................	235	192	207	217

Explanation:

Workload statistics were obtained from the Criminal Appeals and Tax Enforcement Policy Section in the Division's Criminal Section. The Section maintains its own automated case reporting/tracking system for criminal tax matters which is used to prepare case information reports on a monthly basis for Division policy management officials. 1988 and 1989 data reflect actual caseload for each fiscal year. Estimates for the outyears are based upon past years experience of workload trends and current information available from the Section regarding new IRS enforcement emphasis.

Program Changes

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
U.S. Attorneys..........................	659	642	$47,316	956	790	$66,182	297	148	$18,866

An increase of 297 positions (151 attorneys, 45 paralegals, 101 support positions), 148 workyears and $18,866,000 is requested to strengthen the prosecutional efforts of the OCDE program. Personnel increases are required due to an increase in drug trafficking, especially "crack" cocaine. There has been a corresponding increase in violent crime attributable to the increase in drug trafficking. Youth gangs are developing rapidly resulting in an alarming increase in murders. As reported by the Department of State comparing 1988 to 1987, worldwide production of marijuana, opium and hashish has increased, by about 18,283 metric tons. Emergency room mentions are up by 11,383 comparing the same two fiscal years. In response, United States Attorneys' offices are establishing mini-task forces in major drug problem areas within their districts.

Through federal, state and local coordination efforts, the OCDE workload is expected to increase in 1991. The Administration is committed to ending drug abuse in America. The Administration calls for the strict application of the penalties contained in the Anti-Drug Abuse Act of 1988, which provides for the death penalty for those who commit drug-related murders and for increased prison sentences for other drug-related crime. To achieve this goal, more trial preparation will be required, trials will be greater in length and a greater number of appeals are expected. In order for the U.S. Attorneys to effectively handle existing cases, seize assets of drug dealers when obtained with drug profits and in addition handle new investigations, the requested resources must be authorized.

The legislative intent of Congress to prosecute, to the full extent of the law, individuals distributing drugs will be achieved. Convictions will increase with the expectation that the defendants will be removed from society under the mandatory sentencing guidelines. Finally, drug dealers' assets will be seized and forfeited with a potential impact to be realized by all forces of the government, ultimately benefiting the American citizen.

Approval of the resources requested will enable the U.S. Attorneys to maintain an aggressive posture in the war against drugs, the federal precursor drug legislation will be exploited, the Federal Government's leadership role in the investigation and prosecution of organized crack cocaine organizations will be enhanced and investigations targeting the major suppliers, organizers, and distributors of other illicit drugs will be expanded.

A Caseload Study of the OCDETF Program was commissioned late in 1984. A final report was published August 1985. Regarding the level of attorney support, the findings of this study reflected the following.

1. Involvement of attorneys early in the development of investigative strategies in major drug trafficking cases is critical to their full exploitation.

2. The prevalence of drug trafficking rings that triggered creation of the OCDETF Program has not been so significantly reduced as to limit the availability of substantial cases in all Task Force regions.

3. Task Force cases are more complex and more time-consuming than other Federal criminal or Federal drug cases, and their results are comparably greater in terms of conviction rates and penalties.

4. The greater duration of Task Force cases means that resources are committed--or needed--over a longer period of time. The availability of resources to continue to meet this requirement is critical to the program's continued success.

5. The good cases in the Caseflow Study involved agents to attorneys in a ratio of less than 4.5 to one.

Approval of the above resources will enable the OCDETF program to establish a ratio of one attorney for every four agents. If this request is not allowed, the following adverse conditions will result:

- investigations will be slowed, due to the unavailability of attorney time, resulting in an increasing backlog of unindicted cases;
- investigations will proceed to indictment with less participation by attorneys, resulting in cases that are less well prepared, with less desirable outcomes;
- investigators will lose their ability to respond promptly and appropriately to tactical and strategic demands, as attorneys are less able to provide needed services, adding to costs and reducing the effectiveness of investigations; or
- all of these effects will present themselves, in combination, resulting in the outcome that Task Force prosecutions will not have an impact on reducing the supply and demand for drugs.

Activity: Administrative Support	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Task Force Administrative Staff....	10	10	$836	10	10	$1,093	13	12	$1,216	3	2	$123

This activity provides policy guidance, central coordination, and administrative support to the headquarters of the eleven member agencies and the thirteen regional task forces. The OCDETF Administrative Staff has day to day responsibility for providing administrative support to the Task Forces and is responsible for financial management, records management, and maintenance of the Case Management System. This staff serves as the first-echelon point of contact for the Task Forces when Washington intervention or assistance is required.

Long-Range Goal: To provide policy guidance, central coordination and administrative support to the thirteen regional drug task forces.

Major Objectives:

To perform as the support and monitoring body between the individual task force Coordinating Groups and the Office of the Deputy Attorney General.

To track and monitor task force cases and resources.

To perform budget analysis, program analysis and evaluation.

To prepare testimony and information for the Attorney General, the Deputy Attorney General, the Congress, the media, and others concerning Task Force issues.

To perform research in support of Task Force requirements.

To manage the State and Local Law Enforcement Overtime Fund, State and local deputation and federal officer cross-designation programs.

Base Program Description: Although the administrative support tasks for the OCDETF Program have grown, the creation of a large, Washington-based bureaucracy has been avoided. The thrust of the Task Force Program is to encourage more cooperation at the field-office level by marshaling the efforts of agency personnel within local districts and making the core-city United States Attorney responsible for the coordination of the Task Force. The Program is not designed to be administered centrally from Washington but rather, supported by the Washington based Administrative Staff.

In the Justice Department, the OCDETF Administrative Staff has day-to-day responsibility for providing administrative support to the Task Forces and is responsible for financial management, records management, and maintenance of the Case Management System. The Administrative Staff serves as the first-echelon point of contact for the Task Forces when Washington intervention or assistance is required.

Under the supervision of the Director, the Staff consists of professional and support staff deemed necessary for the performance of a broad range of management and administrative functions.

1. Scheduling and staffing the meetings of the Executive Review Board; the Washington Agency Representatives Group; the Core City United States Attorneys and Assistant United States Attorney Coordinators; and national OCDETF Conferences;

2. Providing coordination of the legal and administrative services provided to the Task Forces by the Criminal Division, Executive Office for United States Attorneys, Justice Management Division, Tax Division, and the investigative agencies, etc.;

3. Collecting, analyzing and reporting on caseload and other statistical data for the Task Forces;

4. Producing periodic informational memoranda to keep the Executive Review Board, Washington Agency Representatives Group and Task Force personnel apprised of events occurring throughout the program;

5. Producing reports for the Attorney General and United States Attorneys, annual reports for the President and Congress, and other analyses as required; and

6. Coordinating and authorizing state and local reimbursable agreements and special deputations.

The Task Force administrative functions are conducted to the greatest extent possible through existing Departmental systems. This includes conducting training through the Attorney General's Advocacy Institute and the Quantico and Glynco Training Centers, providing legal advice through the various sections of the Criminal Division and other equivalent units, etc.

The Director of the Administrative Staff works with Departmental units and Task Force investigative agencies to ensure that needed seminars, conferences, and other training is provided in the following areas:

1. Task Force orientation and administrative procedures for managers of Task Force offices;

2. In-service training for Task Force attorneys and agents in such areas as financial investigations, forfeiture actions, and specialized drug investigative techniques;

3. Specialized training for new attorneys in narcotics prosecutions, CCE and RICO statues, forfeiture actions, financial investigations, and related areas; and

4. Pre-service and in-service training for Task Force administrative staff.

The consolidated appropriation account requires an enhanced tracking and monitoring process to provide effective budget planning, formulation and execution and it is managed by the Administrative Staff.

Accomplishments and Workload: The Administrative Staff, as the central repository of the case data, is able to provide the national focus necessary for the Deputy Attorney General to manage and assess the Task Force Program.

The Case Monitoring System is designed to meet the management needs of the Deputy Attorney General, U.S. Attorneys, the Executive Review Board, the Member Agency Headquarters and the regional Task Forces. In addition, the information system provides the data necessary to evaluate Task Force program performance which is used in reports to the Attorney General, President, the Congress, and the public. The Case Monitoring System consists of three standard reports: the Investigation Initiation; the Indictment; and the Disposition Sentencing. Other monitoring reports include but are not limited to Investigations/Prosecution Status Reports and various activity reports.

In addition to comprehensive activities involved in the maintenance of the Case Monitoring System and other recurring administrative responsibilities, the Administrative Staff has performed the following activities:

- preparation of the annual reports as required by Congress;
- design, coordination, and management of the Annual National Conferences;
- preparation of a five-year summary report;
- preparation of a six-year impact analysis report;
- modernization of data base from C-3 equipment to modern high speed digital software/hardware;
- performed site visits to all core cities regarding preparation of the Annual Reports, the five-year Summary Report and the six-year impact analysis report;
- conducted site visits and inspections to numerous non-core districts;

- provided critical staff support and coordination in the preparation of speeches, presentations, and related activities required for all regional conferences, all Washington Agency Representatives meetings and all Executive Review Board Meetings;
- attended and generally provided speeches at all regional conferences, advisory committee meetings, and national conferences;
- coordinated and processed all State/local federal agreements for cooperative investigations, and all overtime contracts and Deputation requests;
- served on numerous Committees and special projects (i.e., the NDPB Lead Agency/Strategy project); and
- in accordance with required taskings from the Attorney General, Deputy Attorney General, member agencies, and the United States Attorneys, responded to all information requests and issue/problem resolution requirements, and prepared special analyses and performed liaison activities with affected agencies.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Task Force Administrative Staff.........	10	10	$1,093	13	12	$1,216	3	2	$123

In order to respond to increased requirements to more effectively manage and track resources contributed by the eleven member agencies, a minimum of two professional/administrative positions and one support position, two workyears and $123,000 is requested.

To effectively manage resources, the Executive Review Board requires (1) knowledge of the tasks performed; (2) information on resources used to accomplish the tasks in order to recommend to the Attorney General needed changes in the level, mix, and allocation of resources.

While the Executive Review Board has a Case Monitoring System which provides information on Task Force cases, it does not have a system that provides needed information on attorney and agent resources. Data needed to ensure efficient management of the individual Task Forces and to provide a basis for program evaluation generally fall into two categories: case monitoring information and personnel/funding information. Case monitoring and resource data from each Task Force would essentially serve three purposes.

-- First, the data would provide core-city U.S. Attorneys with the information needed to coordinate the planning and management of Task Force resources in their regions. To carry out their responsibilities, core-city U.S. Attorneys, through their Task Force Coordinators, must be able to track the progress of cases, the resources applied to each case, and the results of their efforts.

-- Second, collecting such information would provide the data needed by the Executive Review Board to carry out its oversight responsibilities for Task Force operations nationwide. The Executive Review Board needs sufficiently detailed information to determine when a reallocation of resources among Task Forces might be necessary, whether cases are meeting promulgated standards, and whether other programwide management concerns are being met.

-- Third, the information, and any necessary special analyses, should allow evaluation of the program's effectiveness and enable the Attorney General to make the required reports to the President, the Congress, and the public. The most immediate use of information at this level would be to support budget requests for the Task Forces by demonstrating that they are a viable enforcement response to the national drug problem.

According to OCDETF Program guidelines, the Attorney General is responsible for determining if a reallocation of Task Force resources is necessary. He is to annually review the allocation of attorneys and agents among the Task Forces and districts considering recommendations of the Executive Review Board. Consideration will also be given to insuring proper interagency balance and the optimal use of resources in the OCDETF drug program.

Carrying out such budget reviews and insuring that the resources of the agencies involved in drug law enforcement are properly balanced and used is consistent with (1) the Executive Review Board responsibility for developing budgetary priorities and (2) the Attorney General's authority, in carrying out his responsibilities as manager of the OCDETF appropriation to review and approve the reprogramming of funds relating to the established budgetary priorities. It is also consistent with providing strong central oversight of OCDETF programs, including the development of a unified budget that reflects all federal resources devoted to drug enforcement and that provides recommendations for rationalizing these efforts in terms of budgetary priorities.

An additional three positions (two budget analysts, and one budget assistant (typing)) are required to provide the requisite administrative support for the allocation and control of OCDETF financial resources through financial planning, budget formulation, resource justification, budget report preparation, special analysis, appropriation accountability, financial data collection and dissemination, and financial audits. It is anticipated that the 11 member agencies will report on a monthly basis regarding their expenditure of funds for the thirteen regional task forces.

Interagency Law Enforcement
Organized Crime Drug Enforcement
Financial Analysis - Program Changes
(Dollars in thousands)

Item	Drug Law Enforcement					
	FBI		DEA		INS	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades						
GS/GM-15	...	...	...	...	...	...
GS/GM-14	2	$101	...	...	2	$101
GS/GM-13	152	8,059	34	$1,448	8	336
GS-12	11	500	59	2,114	14	493
GS-11	...	...	...	...	...	...
GS-10	...	...	...	...	...	...
GS-9	55	1,892	...	...	...	...
GS-7	54	1,416	...	...	2	40
GS-6	...	...	33	600	...	...
GS-5	...	...	...	...	...	...
GS-4	...	...	...	...	3	39
Ungraded positions	...	...	...	...	...	...
Total positions and annual rate	274	11,968	126	4,162	29	1,009
Lapse (-)	-50	-4,666	-76	-2,635	-15	-513
Other personnel compensation	34	2,714	15	3,170	4	102
Special personal services payments	...	...	...	...	...	...
Total workyears and personnel compensation	258	10,016	65	4,697	18	598
Personnel benefits		4,702		499		342
Travel and transportation of persons		706		1,297		157
Transportation of things		1,135		330		38
Rent		785		960		63
Communications, Utilities		...		675		20
Printing and reproduction		18		8		...
Other services		7,662[1]/		4,776[2]/		116
Supplies and materials		308		622		354
Equipment		10,144[1]/		6,686[2]/		735
Total program workyears and obligations changes requested, 1991	258	35,476	65	20,550	18	2,423

---

[1]/Includes modular-related items for new positions such as relocation expenses, full-field investigations, furniture, automobiles, computer workstations, radios, firearms/body armor, etc.

[2]/Includes modular-related items for new positions such as relocation expenses, full-field investigations, PE/PI, training, office automation, technical investigative equipment, vehicles, radios, etc.

Interagency Law Enforcement
Organized Crime Drug Enforcement
Financial Analysis - Program Changes
(Dollars in thousands)

Item	Drug Law Enforcement					
	USCS		BATF		IRS	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades						
GS/GM-15	...	...	...	...	...	...
GS/GM-14	...	...	...	...	15	$777
GS/GM-13	...	...	...	...	81	4,131
GS-12	92	$3,606	...	...	24	941
GS-11	...	...	...	...	10	327
GS-10	...	...	...	...	...	...
GS-9	...	...	...	...	11	310
GS-7	...	...	...	...	7	155
GS-6	...	...	...	...	16	371
GS-5	33	590	...	...	12	197
GS-4	...	...	...	...	14	205
Ungraded positions	...	...	...	...	...	...
Total positions and annual rate	125	4,196	...	...	190	7,414
Lapse (-)	-35	-1,180	...	...	-35	-1,643
Other personnel compensation	22	440	19	$750	36	1,458
Special personal services payments	...	2,000	...	...	...	...
Total workyears and personnel compensation	112	5,456	19	750	190	7,229
Personnel benefits		1,323		...		2,083
Travel and transportation of persons		673		62		1,128
Transportation of things		...		...		37
Rent		808		...		583
Communications, Utilities		439		...		51
Printing and reproduction		...		...		58
Other services		514		...		1,154
Supplies and materials		443		...		380
Equipment		660		...		6,026 1/
Total program workyears and obligations changes requested, 1991	112	10,316	19	812	190	18,729

Interagency Law Enforcement
Organized Crime Drug Enforcement
Financial Analysis - Program Changes
(Dollars in thousands)

Item	Prosecutions USA's Pos.	Prosecutions USA's Amount	Adm. Support Adm. Staff Pos.	Adm. Support Adm. Staff Amount	Total OCDE Pos.	Total OCDE Amount
Grades						
GS/GM-15	...	...	...	...	...	...
GS/GM-14	...	...	...	...	19	$979
GS/GM-13	...	...	2	$85	277	14,059
GS-12	...	...	...	...	200	7,654
GS-11	...	...	...	...	10	327
GS-10	...	...	...	...	...	...
GS-9	45	$1,345	1	24	112	3,571
GS-7	...	...	...	...	63	1,611
GS-6	101	2,256	...	...	150	3,227
GS-5	...	...	...	...	45	787
GS-4	...	...	...	...	17	244
Ungraded positions	151	10,696	...	...	151	10,696
Total positions and annual rate	297	14,297	3	109	1,044	43,155
Lapse (-)	-149	-5,621	-1	-54	-362	-16,312
Other personnel compensation	2	56	...	...	132	8,690
Special personal services payments	...	128	...	...	...	2,128
Total workyears and personnel compensation	150	8,860	2	55	814	37,661
Personnel benefits		2,596		14		11,559
Travel and transportation of persons		513		1		4,537
Transportation of things		82		...		1,622
Rent		950		5		4,154
Communications, Utilities		554		2		1,741
Printing and reproduction		173		...		257
Other services		2,660		21		16,903
Supplies and materials		250		1		2,358
Equipment		2,228		24		26,503
Total program workyears and obligations changes requested, 1991	150	18,866	2	123	814	107,295

[1] /Includes modular-related equipment items for new positions such as vehicles for agent personnel and provides for establishment of a secure radio system.

Interagency Law Enforcement

Organized Crime Drug Enforcement

Priority Rankings

Base Program

Program	Ranking
Drug Law Enforcement	1
Prosecutions	2
Administrative Support	3

Program Increase

Program	Ranking
Drug Law Enforcement	1
Prosecutions	2
Administrative Support	3

Interagency Law Enforcement
Organized Crime Drug Enforcement
Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1990 Adjustment in Perm. Pos.	1990 Total	1991 Program Increases	1991 Total
Attorneys (905)	...	387	...	387	151	538
Paralegal Specialists (950)	...	...	...	...	45	45
Investigative Assistant (1802)	...	9	...	9	...	9
Criminal Investigative series (1811)	...	1,599	71	1,670	502	2,172
Other Miscellaneous Occupations (001-099)	...	...	...	...	11	11
Social Science Economics and Kindred (100-199)	...	35	...	35	...	35
Gen. Admin. Clerical and Office Services (300-399)	...	796	21	817	332	1,149
Accounting and Budget (500-599)	...	...	...	...	3	3
Total	...	2,826	92	2,918	1,044	3,962
Washington	...	44	...	44	16	60
U.S. Field	...	2,782	92	2,874	1,028	3,902
Foreign Field	...	...	...	...	...	...
Total	...	2,826	92	2,918	1,044	3,962

Interagency Law Enforcement

Organized Crime Drug Enforcement

Summary of Change

(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1990 appropriation anticipated	2,918	2,755	$214,921
Adjustments to base:			
Adjustment in permanent positions and workyears	...	61	...
Mandatory increases:			
Annualization of 94 new positions	...	46	2,061
Additional compensable day	...	...	557
1990 Full-year pay increase impact on 1991 [1]	...	...	5,378
Within-grade increases	...	...	82
Federal Employees Compensation Act (FECA) - Unemployment compensation	...	...	10
GSA rent	...	...	565
Employee data and payroll services	...	...	5
General pricing level adjustment	...	...	1,843
Total, mandatory increases	...	46	10,501
Decreases:			
Nonrecurring costs for vehicles for positions approved in 1990	...	...	-727
Nonrecurring costs for radios for vehicles approved in 1990	...	...	-304
Nonrecurring costs for full field investigations of positions approved in 1990	...	...	-32
Nonrecurring costs for transfer for positions approved in 1990	...	...	-1,654
Total, decreases	...	...	-2,717
1991 Base	2,918	2,862	222,705
Program changes:			
Drug Law Enforcement	744	532	88,306
Prosecutions	297	148	18,866
Administrative Support	3	2	123
Total, program changes [1]	1,044	682	107,295
1991 Estimate	3,962	3,544	330,000

[1] The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

Interagency Law Enforcement

Organized Crime Drug Enforcement

Justification of Adjustments to Base

(Dollars in thousands)

	Pos.	WY	Amount
Adjustment in permanent positions and workyears	...	61	...

The absorption of the 1990 pay raise increase will not allow support for all of the positions and workyears that Congress may have expected. Restoration of 24 workyears to the 1991 base is requested. An additional 37 workyears is required to annualize an increase in the Drug Enforcement Administration position and workyear ceilings.

Mandatory increases:

	Pos.	WY	Amount
1. Annualization of 94 new positions for Immigration Naturalization Service	...	46	$2,061

	Approved 1990 Increase	Annualization Required
Annual salary rate of 94 approved positions	$3,220,000	
Less lapse (50 percent)	-1,578,000	$1,578,000
Other compensation (AUO)	207,000	207,000
Net compensation	1,849,000	1,785,000
Associated employee benefits	647,000	276,000
Total costs subject to annualization	2,496,000	2,061,000

	Pos.	WY	Amount
2. Additional compensable day	...	...	557

The annual salary rate for Federal employees is based on 260 paid days. During 1991 there is one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.

	Pos.	WY	Amount
3. 1990 Full-year pay increase impact on 1991	...	...	$5,378

This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Service and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The OCDE appropriation is required to absorb the total pay raise in 1990. The requested increase of $5,378,000 is the amount required for full year funding in 1991. NOTE: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

	Pos.	WY	Amount
4. Within-grade increase (WGI)	...	...	82

This request provides for the expected increase in the cost of within-grade increases. This increase represents WGI costs based on a dynamic model of the Department's employee population.

	Pos.	WY	Amount
5. Federal Employees Compensation Act (FECA) - Unemployment Compensation	...	...	10

This increase reflects the billing provided by the Department of Labor for the actual costs in 1989 of employees' unemployment compensation. For 1991, $10,000 over the 1990 base will be required.

	Pos.	WY	Amount
6. GSA Rent	...	...	565

GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $565,000 is required to meet the commitment to GSA.

	Pos.	WY	Amount
7. Employee data and payroll services	...	...	$5

Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems, maintenance and payroll accounting, are based on the number of employee records maintained. The rate of $188.23 per record in 1990 will be raised to $199.52 per record in 1991. The change is based on anticipated uncontrollable cost increases of 6 percent for the operation of the Justice Employee Data Service. An increase of $5,000 will be required in 1991.

	Pos.	WY	Amount
8. General pricing level adjustments	...	...	1,843

This request applies OMB pricing guidance as of December 6, 1989, to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1991 estimates.

	Pos.	WY	Amount
Total mandatory increases	...	46	10,501

Mr. SMITH. Testifying on behalf of the Justice Department is Deputy Attorney General Donald Ayer. Mr. Ayer, you may proceed with your statement.

OPENING REMARKS

Mr. AYER. I will make it brief. I am happy to be here to discuss with you what I think is perhaps the most successful law enforcement program that has come along in a long time.

Before I do that, there are a number of people here who are affiliated with the program, and I would like to introduce two of them. Seated at my right is one of the associate deputies in my office, Margaret Love, who has been working over the last year in connection with overseeing the program; and also here, right behind me, is Frederick Kramer, who, since the beginning of the program, has been in charge of the administrative staff within the Department of Justice.

REIMBURSEMENT PROCESS

The current fiscal year, 1990, is the first year during which Congress appropriated funds directly to the OCDETF program. Prior to that, from 1985 through 1989, the resources were appropriated separately to the 11 agencies involved in the program.

The way the consolidated budget works presently, and the way it will work as it is refined over the next months and years, is through a series of operating plans that are submitted by the individual agencies and are reviewed by the administrative staff under the supervision of my office and under the supervision of the Executive Review Board, a body made up of the highest level of representatives of all the agencies.

Plans laying out the intended expenditures and the uses to which funds will be put are followed up by monthly reports on what is actually being done as it is being done. A reimbursement arrangement is required under the 1988 statute, the Anti-Drug Abuse Act, which was set up as a reimbursement ratio. The agencies will receive funding through that reimbursement arrangement. We are in the process now of refining that reimbursement process. I think it is presently working quite well, although it isn't all the way to where it needs to be yet.

1991 RFQUEST

Our proposed budget for fiscal year 1991 involves a total of 3,962 reimbursable positions and $330 million. That is a gross increase of 53.5 percent in the budget. It is a slightly smaller increase, 48 percent or $107.3 million over the base, if mandatory increases are included.

That program increase includes 502 new investigators and 151 attorneys and a total number of new positions of 1,044. That 48-percent increase over base is, however, not indicative of the total actual increase of drug resources affiliated with the OCDETF program. It is actually a smaller number than that. In the past, under the old arrangement, we experienced a phenomenon which has been referred to as overburn, where agencies would commit more resources to the OCDETF activities in many instances than were programmed.

This year's budget essentially recognizes that, and puts into the OCDETF program the resources which were found necessary in the past. That shows up as part of the overall increase, even though the increases were previously expended——

ACTUAL RATE OF GROWTH

Mr. SMITH. How can you expand 48 percent one year and do it effectively?

Mr. AYER. It is very close to the increase for the DEA. The OCDETF real increase is about 23 percent, or $51 million, less than half of the actual program increase that we are showing in the proposal.

The real increases, in terms of new resources newly committed, come within the Drug Enforcement Administration where we are asking for 126 new positions, of which 93 are agents, and $20.5 million; within the Customs Service, where we are asking for 125 new positions, 92 of which are agents, and a total of about $10.3 million; about $1 million for the Bureau of Alcohol, Tobacco and Firearms funding; and an additional $18—almost $19 million—and 297 positions for the United States Attorney's Offices. Of those 297 positions, 151 for attorneys. Those are the real actual increases in terms of new resources that will be working on OCDETF cases.

OCDETF SUCCESS

The reason I say that the OCDETF program is perhaps the most successful law enforcement program we have ever seen has a great deal to do with its conception. The conception has been borne out in the practice that has been followed.

Back in 1982, I was a U.S. Attorney and I know what the concept was, and I know that the program actually was carried out the way it was intended to be carried out. The point was to target high-level offenders. It was recognized that high-level offenders are not limited to a local area. They move in a broad operational area. They also are engaged in a wide range of activities that any one particular law enforcement expertise is not necessarily going to be able to deal with.

So, the concept was to bring together and synchronize a number of different agencies. We now have 11 agencies affiliated with OCDETF that bring different expertise and geographic deployment.

They bring, since we are operating primarily on the Federal level, a broad geographic coverage and ability to coordinate not only with each other in the local area, but nationally and internationally as well, with the DEA, FBI, and other arms of law enforcement.

CO-LOCATION

They also bring the concept, implicit in the synchronization, of a team that operates. One of the things we have been working with recently is the issue of co-location and the best way to coordinate these efforts. We are convinced that co-location of the coördinators is critical.

Some places we have co-location of agents as well—the agents who are doing all the work—not just the coordinators. It is difficult. We are not able to do it everywhere. Maximizing communication, interaction and cooperation between agencies is the key. Bringing attorneys in—U.S. Attorneys and Assistant U.S. Attorneys—into these cases early and intensely is a very important part of it.

ATTORNEY-AGENT RATIO

When you are dealing with a big, complicated, sophisticated organization, you need to be planning as you go along. There is a much higher ratio of lawyers to agents in the OCDETF program than there is throughout the rest of Federal law enforcement, approximately one to four. This is very helpful, because it allows legal guidance at the stages when you need it, as the cases are being developed.

Financial investigation is a critical part of this. The IRS and Postal Inspectors to some degree, though they are not actually part of the program, help out. The FBI and a number of other agencies play roles from time to time.

The whole money-laundering focus is very important, and focusing on the flow of money as a means of getting into these organizations.

Just to give you a sense of how broad-based the cases we are dealing with are, 80 percent of the designated OCDETF cases involve more than one Federal judicial district, and one-third of them have some significant international involvement as well.

PROGRAM ACCOMPLISHMENTS

Just briefly on the accomplishments of the program. My written remarks have a summary of what has been done in the life of the program. For fiscal year 1989, the OCDETF program overall initiated a total of 500 investigations, 1,629 indictments or informations were issued against a total of 5,484 defendants; 2,498 defendants were found guilty either entering a plea or after a trial; and, seizures totaling $544 million in assets were effected. Those seizures represent more than half of the total seizures effected under the OCDETF program since 1983—I am sorry, they represent more than half of the total seized prior to 1989. So, in one year we did better than 50 percent of what we had done in the previous seven years.

Just to close this out, the OCDETF program is one of the Attorney General's very highest priorities. It is getting intensive oversight by the Department of Justice. We believe that the consolidated budget approach is a very effective mechanism to assure accountability of the agencies to the program and to the priority that has been put forward by Congress and the Administration on looking at major drug trafficking cases.

We are stepping up our effort at management in terms of monitoring what the different agencies are doing, making sure they actually are putting all those resources in, and making sure that the overall balance of resources is correct among the agencies and that we are pursuing the right kind of cases.

We are very optimistic about the program. I think we are in full agreement with Director Bennett's comment in the first strategy last fall, that the OCDETF program really is a model for drug enforcement programs, and we hope to make it even better than it is now.

[Mr. Ayer's prepared statement and Ms. Love's biography follow:]

DEPARTMENT OF JUSTICE
ORGANIZED CRIME DRUG ENFORCEMENT

STATEMENT OF THE
DEPUTY ATTORNEY GENERAL
DONALD B. AYER
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE AND STATE, THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the subcommittee:

I am very pleased to be here today to testify before you in support of what the Administration considers to be one of the most successful Federal law enforcement programs available today --- the Organized Crime Drug Enforcement (OCDE) Task Force program. I would like to take this opportunity to express our appreciation for the support Congress has provided in the past.

Before beginning, I would like to introduce my associates.

Ms. Margaret C. Love, Associate Deputy Attorney General is responsible for tactical oversight of the OCDETF program. Frederick W. Kramer is the Director of the OCDETF Administrative Staff which serves as the secretariat and coordinating office for all eleven of the participating OCDETF agencies. Mr. Kramer has been in that position since 1984. Mr. Lyle Newton is the Deputy Director of the Administrative Staff and has been involved with the program since 1983. Both of these gentlemen have a comprehensive institutional knowledge of the OCDETF program. In addition, I have with me Mr. Gene Hausler and Mr. John Gnorski, Financial Managers for the program who have been instrumental in the development of the proposal before you today.

In FY 1989 and prior years, resources for the Organized Crime Drug Enforcement (OCDE) Task Forces were appropriated directly to the eleven participating agencies. Beginning in FY 1990, Congress appropriated Task Force resources directly to an OCDE appropriation. OCDE resources are now provided to the eleven agencies from this appropriation through a reimbursable arrangement. At the present time, each agency's reimbursement is expected to be consistent with plans presented in the Administration's request. For 1991, the Administration is requesting a total of $330,000,000, which can fund 3,962 reimbursable positions and 3,544 reimbursable workyears. This request represents a program increase of $107,295,000, which can fund 1,044 reimbursable positions and 682 reimbursable workyears, over the 1991 base. Before going into the details of our request, I would like to take a few minutes to provide you with some background regarding the OCDE Task Force program approach and to describe the nature of the program.

BACKGROUND

The OCDETF Program began in response to an increasingly serious problem. For 20 years prior to the Program's creation, Federal agencies and task forces experimented with a variety of approaches to combating drug trafficking. It became increasingly apparent that the attack on drug-related crime could not be confined by city lines, State boundaries, or international borders. Those involved in the fight against drug-related crime became aware that the "drug trafficking problem" involved a web of organized crime groups, whose top leaders were often insulated from the day-to-day activities of their organizations.

Full scale teamwork, involving many Federal agencies with unique skills, was needed to implement a comprehensive strategy for dealing with the crisis. In 1982, the OCDE Task Force program was initiated to mount a comprehensive attack against organized crime and drug traffickers. In its first seven years of operation, the OCDE Task Force program has been an effective and powerful force to combat drug trafficking.

TASK FORCE STRUCTURE

Today the OCDE Task Force program constitutes a nationwide structure of 13 regional task forces that takes advantage of the combined resources and expertise of its 11 member Federal agencies, in cooperation with State and local investigators and prosecutors, to target and destroy major narcotics trafficking and money laundering organizations. The following are the 13 Task Force regions: Florida/Caribbean; Great Lakes; Gulf Coast; Los Angeles/Nevada; Mid-Atlantic; Mountain; New England; New York/New Jersey; North Central; Northwest; South Central; Southeast; and Southwest Border.

Each region has a Task Force Advisory Committee, the region's policy group, composed of all of the region's United States Attorneys as well as senior representatives of the investigative agencies throughout the region.

The Task Force Coordination Group, composed of an Assistant United States Attorney (AUSA) and senior investigators from participating Federal, State, and local agencies, is central to the operation of each of 13 Task Forces. The Coordination Group serves all districts within a Task Force. It is by decision of this body that cases throughout the region are selected; it is in response to their judgment that investigative and prosecutorial assets are allocated among cases; and it is through their activities that interagency, inter-district, and inter-regional cooperation is obtained and coordinated.

The final level of oversight is the Executive Review Board (ERB). Unlike the Coordination Group and Advisory Committees based in each region, the ERB is located in Washington and is composed of the head of each Federal agency or his designate, and is chaired by the Deputy Attorney General. The ERB provides national oversight by articulating policy, reviewing the allocation of resources, and resolving outstanding issues that cannot be settled in the field. The Washington Agency Representatives Group (WARG), comprised of high-level section managers from each participating agency, provides problem resolution research for the Board. A small administrative staff provides policy guidance, central coordination, and administrative support. This staff is responsible for financial management, records management, and maintenance of the Case Management System. The administrative staff serves as the first-echelon point when Washington intervention or assistance is required.

PARTICIPATING FEDERAL AGENCIES

A multi-faceted attack on highly sophisticated drug cartels requires unique capabilities combined into a comprehensive and

Decreases (Automatic non-policy)	Pos.	WY	Amount
1. Nonrecurring costs of vehicles for 75 positions approved in 1990	...	...	-727
2. Nonrecurring costs of radios for 75 vehicles approved in 1990	...	...	-304
3. Nonrecurring costs of full field investigations for 94 positions	...	...	-32
4. Nonrecurring costs of transfers for 94 positions approved in 1990	...	...	-1,654
Total decreases	...	...	-2,717
Total, adjustments to base	...	107	7,784

Interagency Law Enforcement

Organized Crime Drug Enforcement

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	1989 Actual Positions & Workyears	1989 Actual Amount	1990 Estimate Positions & Workyears	1990 Estimate Amount	1991 Estimate Positions & Workyears	1991 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
GS/GM-15, $59,216-76,982	...		4		4	–	...	
GS/GM-14, $50,342-65,444	...		81		100		19	
GS/GM-13, $42,601-55,381	...		809		1,086		277	
GS-12, $35,825-46,571	...		662		862		200	
GS-11, $29,891-38,855	...		93		103		10	
GS-10, $27,206-35,369	...		49		49		...	
GS-9, $24,705-32,121	...		29		141		112	
GS-8, $22,367-29,081	...		19		19		...	
GS-7, $20,195-26,252	...		354		417		63	
GS-6, $18,174-23,628	...		257		407		150	
GS-5, $16,305-21,201	...		137		182		45	
GS-4, $14,573-18,947	...		43		60		17	
Ungraded positions	...		381		532		151	
Total, appropriated positions	...	...	2,918	$118,452	3,962	163,040	1,044	44,588
Pay above stated annual rates	...	...	...	...	...	435	...	435
Lapses	...	...	-163	-714	-418	-14,842	-255	-14,128
Savings due to lower pay scales for part of year	...	...	...	-1,059	...	...	...	1,059
Net full-time permanent	...	...	2,755	116,679	3,544	148,633	789	31,954
Other personnel compensation:								
Overtime/AUO/Other Compensation	...	...	398	9,546	548	18,798	150	9,252
Special personal services payments	...	...	...	52	...	2,180	...	2,128
Total, workyears and personnel compensation	...	...	3,153	126,277	4,092	169,611	989	43,334
Average GS/GM Salary		(...)		($37,108)		($37,323)		
Average GS/GM Grade		(...)		(10.43)		(10.34)		
Average Ungraded Salary		(...)		($63,803)		($65,834)		

Interagency Law Enforcement

Organized Crime Drug Enforcement

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1989 Actual Workyears	1989 Actual Amount	1990 Estimate Workyears	1990 Estimate Amount	1991 Estimate Workyears	1991 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1 Full-time permanent	...	...	2,755	$116,679	3,544	$148,633	789	$31,954
11.3 Other than full-time permanent	...	...	...	...	...	...	...	...
11.5 Other personnel compensation	...	...	398	9,546	548	18,798	150	9,252
11.8 Special personal services payments	...	...	...	52	...	2,180	...	2,128
Total, workyears and personnel compensation	...	...	3,153	126,277	4,092	169,611	939	43,334
Other objects:								
12.1 Personnel benefits		...		31,949		43,886		11,937
21 Travel and transportation of persons		...		10,959		15,699		4,740
22 Transportation of things		...		2,668		4,070		1,402
23.1 GSA rent		...		11,990		16,728		4,738
23.2 Rental payments to others		...		768		1,034		266
23.3 Communications, utilities and miscellaneous charges		...		5,418		7,237		1,819
24 Printing and reproduction		...		190		456		266
25 Other services		...		15,529		33,827		18,298
26 Supplies and materials		...		5,881		8,568		2,687
31 Equipment		...		3,292		28,884		25,592
Total obligations		...		214,921		330,000		115,079
Relation of obligations to outlays:								
Obligated balance, start-of-year		...		59		49,345		
Obligated balance, end-of-year		...		-49,345		-95,128		
Adjustment in expired accounts		...		...				
Outlays		...		165,645		284,217		

orchestrated investigation and prosecution beyond the capacity of a single organization. Each of the Federal agencies participating in the program brings it's own special skills and methods to the effort.

For example, the Drug Enforcement Administration, the only Federal agency that has narcotics law enforcement as its sole responsibility, brings its knowledge of national and international drug distribution networks, and its close working relationships with State and local authorities, making DEA essential to every task force. Similarly, the Federal Bureau of Investigation offers its experience in the investigation of traditional organized crime, and financial crimes, as well as its proven ability to gather and analyze intelligence data and deploy and manage sophisticated physical and electronic surveillances in the OCDE Task Force Program. The Immigration and Naturalization Service's authority to parole individuals into the United States and its expertise in the investigation and deportation of illegal aliens has strengthened the ability of the task forces to prosecute and remove criminal aliens from the United States. The United States Marshal's Service, in concert with participating Federal and local law enforcement agencies provides a multiplicity of expertise and support services in a variety of fields including but not limited to Witness Security, Domestic and International Fugitive Investigations, Judicial Security, and Asset Seizure and Disposal Management, all of which have been invaluable in OCDETF cases.

Agencies outside the Department of Justice have proven just as important to the success of the OCDETF effort. The United States Coast Guard has served as maritime experts for the task forces, providing valuable intelligence and guidance on cases with maritime connections and implications. The Bureau of Alcohol, Tobacco and Firearms expertise in firearms, explosives and arson has made it a well-suited partner to other agencies participating in the war against illegal drugs. As the task forces financial experts, the Internal Revenue Service often provides the only viable means of attacking drug traffickers. Their expertise in financial investigations traces the proceeds of illicit narcotics trafficking. The United States Customs Service provides investigative expertise in attacking drug smuggling organizations and seeks to destroy drug trafficking organizations by seizing their proceeds through international money laundering investigations. The Treasury Department utilizes data collected under the Bank Secrecy Act to identify and refer money laundering cases for OCDETF investigation.

Investigative work is supported through prosecution advice provided by the United States Attorneys, and the Department's Tax and Criminal Divisions. Early attorney involvement in the development of case strategy is a major factor in the success of the program.

STATE AND LOCAL PARTICIPATION

From the program's inception, State and local law enforcement agencies have worked closely with the task forces.

Several elements of the OCDE Task Force program facilitate State and local participation. Over $3 million is being provided to State and local jurisdictions in 1990 for overtime and expenses incurred by their personnel participating in task force cases.

State and local participation is further facilitated by the deputation of State and local law enforcement officials when appropriate. Deputation provides non-Federal agencies with the capacity to extend investigations outside their normal jurisdictions, thus emphasizing the joint role that Federal, State and local officials must play in combatting the drug problem. Under this arrangement, it is possible for a local police officer from Denver to legally participate in a drug investigation in California. Similarly, cross designation of attorneys makes it possible for Federal attorneys to participate in State court prosecutions or for State attorneys to participate in a Federal prosecution.

Perhaps one of the most advantageous benefits of the OCDE Task Force program to State and local agencies is the resources they obtain through the asset forfeiture provisions made available since passage of the Comprehensive Crime Control Act of 1984. Sharing of forfeited assets, with our non-Federal partners, provides a bonus to participating State and local agencies in the form of vehicles, aircraft, boats, weapons, and cash. Since its inception in mid-1985, the Equitable Sharing Program has expanded rapidly. Through the program, the Department of Justice has distributed more than $364.8 million to

State and local agencies in property and cash. In 1989, over $174 million was shared in forfeited property and cash with State and local law enforcement agencies. In 1990, over $190 million is expected to be shared with payments rising to $200 million in 1991. Additionally, the United States Customs Service has shared $54.5 million with State and local agencies since its inception of the Customs Equitable Sharing Program. This includes $32.5 million in 1989. Customs expects to share $40.0 million in 1990 and $48.0 million in 1991. A large portion of these shared resources were obtained through the efforts of the OCDE Task Force program.

NATURE OF THE ENEMY

Today's drug trafficking organizations cannot be characterized by any one organizational or operational model. Rather, they must be seen as sharing certain characteristics which are related to the nature of their unifying purpose: the production, distribution, and sale of illicit drugs.

The large organizations, which have national or international scopes of operation, have developed sophisticated mechanisms for protecting their leaders, laundering their profits, assuring the availability of alternate supply lines, and developing protected networks of outlets for their products. Smaller, often newer, drug trafficking organizations are sometimes less sophisticated but are engaged in the same patterns of development.

Among the most violent and sophisticated criminal drug cartels operating in the United States are those with a seemingly impregnable base in Colombia. These cartels are vertically integrated organizations engaged in the production, processing, smuggling, distribution, and sale of cocaine and other dangerous drugs in the United States.

La Cosa Nostra (LCN) has streamlined its operations to adapt itself to the changing drug trafficking environment. LCN has entered into distribution and marketing arrangements with the Sicilian Mafia and with newer groups such as the Colombian cartels. On both coasts, Asian organized crime groups have become major players in the American drug trafficking scene. These groups have ties to established organizations in Asia, and their growth has been facilitated by the increase in Asian immigration into the United States. Economic and political pressures are leading many Hong Kong drug operations to funnel money and resources into the United States in an attempt to provide an alternative base to Hong Kong, in the light of that colony's uncertain future.

Overlaying the drive toward increased organizational and operational sophistication is an equally omnipresent tendency to use force and intimidation to achieve objectives.

Newer and even more violent groups operating under the rubric "Jamaican posses" have established a firm foothold in the United States and are expanding their operations. They specialize in cocaine, especially crack, the distribution of which is the focus of turf wars between Jamaican groups and between Jamaicans and other established trafficking organizations.

Outlaw motorcycle groups have evolved into nationwide distribution and retail sales organizations whose activities also include the processing and manufacture of such dangerous drugs as methamphetamine. These groups are "motorcycle gangs" in origin but have become business organizations with sophisticated internal hierarchies and networks of distribution.

California street gangs have grown to become more structured and are expanding from their historic geographic base to deal in a variety of new locations across the nation.

Smaller domestically based organizations ranging from informal urban networks, to upscale former college associates, to rural family-based organizations descended from moonshiners are bringing organized drug trafficking to segments of our society which have hitherto been relatively isolated from the drug trafficking scene.

These developments, among many diverse drug trafficking organizations, create a disturbing pattern. These organizations are broadening and deepening their penetration of U.S. society. At each level of activity there is evidence of more sophisticated organizational structures; more sophisticated use of technology, more sophisticated development of methods for protection of the leaders of the organizations; and, in many cases, more violent confrontations between competing groups.

ACCOMPLISHMENTS

The OCDETF Program strategy has been able to immobilize drug trafficking and money laundering organizations by prosecuting and incarcerating organization members or, where appropriate, extraditing or deporting them; and by divesting them of their power through forfeiture of organization and individual assets. The OCDETF Program has attacked organized drug trafficking from the top, instituting in-depth investigations leading to the prosecution and conviction of the highest level drug traffickers. The Program's eleven member agencies, acting in concert with numerous State and local agencies, have disabled major drug trafficking organizations by removing the key individuals who provided these organizations with leadership, capital, and expertise.

The OCDETF Program's synchronization of multiple investigations against common target organizations; its effective use of attorneys at the early stages of investigations; its use of financial investigations to reach otherwise invulnerable targets; and its unprecedented success in fostering collaboration among law enforcement agencies from all jurisdictions have demonstrated the efficacy of OCDETF's operational model.

In the years since its creation, OCDETF has established itself as the "flag ship" of the Federal drug enforcement effort. The National Drug Control Strategy, submitted to Congress on September 5 by President Bush, recognized the success of the OCDETF model. It reported that,

> "...OCDETF is able to direct thorough, imaginative, and wide-ranging assaults on the movements and activities of drug dealers. Through its 13 regional task forces, the OCDETF Program also provides one of the crucial links between Federal and State authorities, enhancing the exchange of information and enforcement strategies. These programs should serve as a model of interagency coordination and be a priority for future expansion in Federal drug enforcement."

Prior studies have documented that OCDETF results surpassed those of non-OCDETF narcotics investigations and prosecutions. A 1985 report, A Caseload Study of The Organized Crime Drug Enforcement Task Force Program, found that:

> "The outcomes of Task Force cases are demonstratively superior to those of other Federal cases, and other Federal drug cases. The rate of dismissal and acquittal are lower; guilty pleas and trial convictions are higher; sentences are longer; seizures and forfeitures are more substantial."

The Caseload Study further found that,

> "The high rate of convictions in Task Force trials (90.3%) is a statement of the quality of investigations and prosecutions. Similarly, the Task Force rate of acquittals is just half that found in other Federal criminal cases."

General Accounting Office (GAO) reports in 1986 and 1987 generally confirmed the validity of the OCDETF Program's claimed statistical success.

After seven years, it has become apparent that the most promising strategy for combating major illicit drug traffickers is that of the OCDETF Program. From its inception late in 1982 through the end of FY 1988, the Task Forces:

- initiated 2,352 investigations, resulting in 4,917 indictments and criminal informations, against 16,859 defendants;
- charged over 8,208 top and mid-level leaders and major suppliers;
- charged 784 persons with CCE violations and 934 individuals with RICO violations; and
- seized cash and property assets totaling $916 million.

During this period, over 10,000 individuals were found, or pled, guilty to at least one charge. More than 80 percent of those were handed prison sentences, with many imprisoned for life.

Results of task force investigations continued to be successful in 1989, when 500 investigations were initiated, 1,629 indictments involving 5,484 individuals were brought, 2,498 convictions were obtained and seizures of cash and property totaling $544 million were obtained. At this time, I would like to point out an example of a noteworthy case displaying the close cooperation among OCDETF participating agencies.

"Operation Polar Cap" demonstrates how coordinated interagency intelligence-sharing and cooperation have resulted in a great success against drug traffickers with direct links to the Colombian Medellin cartel. In Operation Polar Cap, the FBI, DEA, Customs Service, and IRS, assisted by State and local law enforcement agencies, pooled intelligence that was gathered in what were originally thought to be unrelated drug and money laundering investigations in Los Angeles, New York, Houston, Miami, and five other cities. Further investigation by this intergovernmental effort revealed that a large-scale money laundering organization was operating nationally and internationally. Two wholesale jewelry companies located in downtown Los Angeles were critical to this criminal enterprise.

As a result of the high level of cooperation among all of the agencies, 127 defendants were charged with conspiracy to aid and abet the sale and distribution of cocaine and with illegally laundering the proceeds of drug sales -- over $1 billion generated from cocaine sales. The defendants were also charged with conspiring to violate the Money Laundering Control Act and with conspiring to avoid the reporting requirements of the Bank Secrecy Act and the Internal Revenue Code, which requires banks and businesses to report to the IRS all currency transactions that are $10,000 or more. Federal agents seized bank accounts at 16 banks in Atlanta, Miami, New York, and San Francisco. Actions by the U.S. Attorney from the Northern District of Georgia led the Federal District Court in Atlanta to direct the domestic branches of the foreign banks that were named in the Atlanta indictment to freeze the drug assets in their foreign branches and to return the deposits to the United States for forfeiture. The U.S. Attorney for the Southern District of New York filed a civil lawsuit asking the court to freeze money from the first phase of the investigation and to return the money to the United States for civil forfeiture. By the time all three phases of Operation Polar Cap were completed, more than one-half ton of cocaine and over $45 million in cash, jewelry, and real estate had been seized.

MANAGEMENT IMPROVEMENTS

A management study was commissioned by the Attorney General with the support of all of the OCDETF participating agencies to identify those practices which are associated with the highest levels of Task Force success and those which are impediments to maximum accomplishment.

This study was conducted between November 1988 and April 1989. The final report was issued on November 6, 1989. The study analyzed cumulative outcome and resource data for the period FY 1983 through FY 1988. The Task Force practices examined were those that were reported and observed in December 1988 and January 1989.

The OCDETF Management Study and the many debriefings of the results of that study have had a significant positive impact on the management practices of OCDETF field offices. Many improvements in OCDETF operations and enhancements in communication processes have occurred in the year since the completion of the Management Study.

The Executive Review Board (ERB) and the Washington Agency Representatives Group (WARG) are also being revitalized to meet their responsibility for policy development, implementation, and oversight of the OCDETF program.

Further, the Administrative Staff, as the body performing the "secretariat" function for the ERB as well as day-to-day administration of the OCDETF Program, now reports directly to the Office of the Deputy Attorney General.

The results of the internal management study validate the efficacy of the OCDETF model. A recent organizational study of the Department's drug control programs conducted by the Office of National Drug Control Policy also confirmed the success of the OCDETF Program as a model of interagency coordination and cooperation.

ADMINISTRATION REQUEST

The 1991 request for the OCDE Task Force program totals 3,962 reimbursable positions, 3,544 reimbursable FTE and $330.0 million. This includes resources for drug law enforcement, prosecution, and administrative support for the 11 member agencies. A 54 percent increase in OCDETF funds for the next fiscal year will provide more investigators for undercover operations; more agents to track aliens involved in drug trafficking; additional personnel to work on the money laundering and financial crimes that go hand in hand with drug activities;

additional funding to perform conspiracy-type firearms investigations; more officers to capture narcotics fugitives, more attorneys to prosecute those caught by task force activity; and more resources to support State and local participation. Included within OCDETF's FY 1991 increase of $115 million are net mandatory adjustments totaling $7.8 million and program increases totaling $107.3 million, which will fund 1,044 reimbursable positions. The program increases provide:

(1) 744 reimbursable positions (502 agents) and $88.3 million for drug law enforcement related purposes. A significant portion of these resources will be used to fund "overburn" situations where resources appropriated for other purposes were diverted to fund critical OCDETF cases when OCDETF funding was not available;

(2) 297 reimbursable positions (151 prosecutors) and $18.9 million to keep pace with the level of agents assigned to the OCDE Task Force Program, and to maintain a 1:4 ratio of prosecutors to investigators; and,

(3) 3 reimbursable positions and $0.1 million for administrative support purposes.

Drug Law Enforcement

This activity provides resources for the investigations conducted by the 13 regional OCDE Task Forces.

A summary of the program increases by agency follows:

-- Drug Enforcement Administration (DEA): A program increase of 126 reimbursable positions (93 Agents), 50 reimbursable

FTE and $20.6 million is requested for DEA. DEA is focusing more of its efforts in its Special Enforcement Operations/Programs (SEO/Ps). SEO/Ps, together with other DEA programs, have proven their value by generating complex investigations of violators and their networks while continuing the development and exploitation of DEA's intelligence capabilities. As a result, these increases are required to support the OCDETF investigations which flow from the DEA base program. Currently, this support has been drawn from the DEA Domestic Enforcement Operations, or has not been addressed.

Also, within the overall increase, $1.8 million is requested to augment the overtime pay of State and local law enforcement officers participating in the OCDETF program. There have been more than 3,000 active reimbursement agreements between OCDE Task Forces and State, county, or local agencies. These local agencies continue to pay the salaries of their investigators who are working on Task Force cases, but are assisted in meeting the costs of overtime, travel, and per diem expenses resulting from their participation.

-- Federal Bureau of Investigation (FBI): A program increase of 274 reimbursable positions (154 Agents), 224 reimbursable FTE and $35.5 million would bring the FBI's OCDETF funded level closer to the existing utilization level, thereby insuring that the FBI would be able to continue to devote investigative resources near its current level of commitment. This increase in personnel resources will allow the FBI to approximate its present level of commitment to OCDETF at a time when the drug trafficking problem has become epidemic, touching virtually every citizen's life in some way.

The FBI's OCDETF effort addresses Colombian/South American, European/Italian, Asian, and other emerging drug trafficking organizations such as the "Bloods," "Crips," and Jamaican Posses. Agent and support resources directed at these groups utilize physical and electronic surveillances; Racketeering Enterprise Investigations (REIs); money-laundering investigations; Undercover Operations (UCOs); and asset seizures. These sophisticated investigative techniques provide the most effective means for identifying and penetrating principle drug trafficking organizations and their networks.

-- Immigration and Naturalization Service (INS): A program increase of 29 reimbursable positions (24 Agents), 14 reimbursable FTE and $2.4 million is requested for INS. This enhancement will address the burgeoning problem of criminal alien involvement in illegal drug activities by providing investigative resources to all OCDETF agencies in the identification, location, investigation and parole of aliens involved in narcotics enterprises.

-- Internal Revenue Service (IRS): A program increase of 190 reimbursable positions, 154 reimbursable FTE (139 Agents), and $18.7 million is requested to attack the money laundering and financial crimes associated with drug and contraband smuggling across the Southwest Border. In addition, the IRS will direct more resources to investigate "legitimate" business enterprises along the border. These entities, including money exchange houses, substantially support the narcotics trade through their services. They do so by conducting large amounts of cash transactions and reporting only a small portion of them on the required forms, thus enabling narcotics traffickers to launder their drug proceeds.

-- Customs Service: A program increase of 125 reimbursable positions (92 Agents), 90 reimbursable FTE and $10.3 million is requested for Customs. This enhancement will provide additional agents and support personnel to pursue joint money laundering investigative initiatives with its foreign counterparts; and will allow Customs to remain a participant in narcotics smuggling and international money laundering cases initiated by other OCDETF agencies. Currently, due to other priorities and insufficient funding, Customs field managers must decline to participate in numerous drug smuggling and money laundering investigations initiated by other agencies.

-- Bureau of Alcohol, Tobacco and Firearms (BATF): A program increase of $0.8 million is requested to implement new electronic interception authority related to firearms investigations. During FY 1991, it is expected that three (3) conspiracy-type firearms trafficking OCDETF investigations will be completed utilizing this investigative tool. These types of investigations are major undertakings and require intense effort and coordination. The use of court-ordered electronic interception has proven an effective tool against organized criminal groups. This new tool will greatly enhance BATF's ability to investigate and apprehend major career criminals who are not vulnerable to routine undercover investigations due to the insulated environment in which they conduct their operations. The authority to use electronic interception in Federal firearms investigations will also elevate the quality of such investigations and will multiply opportunities to prosecute criminal "kingpins".

Prosecutions

Litigation efforts selectively target the criminal leadership involved in drug trafficking, and are intended to dissolve organized illicit enterprises. This includes activities designed to secure the seizure and forfeiture of the assets of these enterprises.

The requested program increase for U.S. Attorneys is 297 reimbursable positions (151 Attorneys), 148 reimbursable FTE and

$18.9 million. This enhancement will respond to the escalating OCDETF workload caused by the initiation of complex long-term investigations; the expanding use of labor intensive investigative tools, such as the Title III electronic surveillance; and rapidly increasing appeals encouraged by the penalties in the Anti-Drug Abuse Act of 1988. Approval of these additional resources will enable the OCDETF program to establish a ratio of one attorney for every four agents.

Administrative Support

The Administrative Staff provides policy guidance, central coordination, and administrative support to the headquarters of the eleven member agencies and the thirteen task forces. A program increase of 3 reimbursable positions, 2 reimbursable FTE and $0.1 million is requested for this activity. The establishment of a consolidated OCDETF appropriation in FY 1990 has increased significantly the administrative oversight and analysis responsibilities associated with the monitoring, tracking, and reporting of OCDETF activities.

CLOSING COMMENTS

By targeting high-level figures and powerful drug organizations, the OCDETF Program has shown a determination to strike at the heart of illegal drug trafficking. By initiating investigations that demanded a high degree of interagency collaboration, OCDETF has drawn on the expertise of its members in a way that none of its predecessors had. By making the fullest use of all of the techniques of financial investigations, the Task Forces have worked to bring down traffickers who could have been reached in no other way.

The ongoing threat of international drug trafficking cannot be minimized. The war is by no means over and increased resources are required. Many difficult battles lie ahead. Yet, the OCDETF Program approach has produced the best results of any concerted effort to date. The evidence is persuasive that use of this model and its strategy can undermine, damage, and even destroy major drug trafficking organizations.

Finally, I would like to assure you that the Attorney General is fully behind the successful coordination of this program, and he looks forward to assisting the agency heads in effectively expending the OCDE resources to assure they are used to maximize the accomplishments of the program. I want to acknowledge the support of this Subcommittee and thank each of you for your interest. I will be pleased to answer any questions at this time.

MARGARET COLGATE LOVE

BIOGRAPHICAL SKETCH

Born in Baltimore, Maryland, in 1942. Sarah Lawrence College (B.A. 1963); University of Pennsylvania (M.A. 1969, Medieval and Early Modern European History); Yale Law School (J.D. 1977). Following graduation from law school worked for two years as an associate with the Washington law firm of Shea & Gardner in a general regulatory and litigation practice. Came to the Department of Justice in 1979 as an attorney-adviser in the Office of Legal Counsel. Made Special Counsel to the Assistant Attorney General in 1987, with principal responsibility for conflict of interest and professional ethics issues. Appointed Deputy Associate Attorney General in July 1988 and Associate deputy Attorney General in July 1989. Prior to law school served as Associate Secretary of the American Association of University Professors (1969–1974), and taught French language and European History at a private secondary school in Philadelphia (1968–1969). Completed all requirements for Ph.D. in Medieval and Early Modern European History except dissertation (1965–1969). Married to Woodley B. Osborne since 1977; daughter, Jenny, age 8.

Principal areas of responsibility in the Office of the Deputy Attorney General include the Organized Crime Drug Enforcement Task Force Program, the Organized Crime Strike Force Program, the Federal Prison System, conflict of interest and professional ethics, ABA liaison on criminal justice issues, presidential pardons and a variety of other criminal and civil litigation matters as assigned.

U.S. ATTORNEY INVOLVEMENT

Mr. SMITH. You are working with 11 agencies?

Mr. AYER. Eleven agencies within three Departments of government: Justice, Treasury, and the Department of Transportation.

Mr. SMITH. Okay, let's just take U.S. Attorneys. Explain specifically how it works.

Mr. AYER. Well, the U.S. Attorneys are an integral part and have been all the way along. There is an OCDETF coordinator, who is an Assistant U.S. Attorney, in each of the 93 districts.

Mr. SMITH. They are on the U.S. Attorney's payroll?

Mr. AYER. Yes. The Assistant U.S. Attorneys are on the payroll of the United States Attorneys. The United States Attorneys receive funding from OCDETF but they are definitely part of the U.S. Attorney's Office.

FULL-TIME DEDICATION

Mr. SMITH. So, are they full-time for OCDETF?

Mr. AYER. The coordinators are full-time for OCDETF in the core city districts, that is the 13 larger cities around the country. In other districts, some of them are full-time and some of them are not, depending on the situation.

Mr. SMITH. In some cases, they get part of their costs reimbursed then, is that correct?

Ms. LOVE. In some districts, the Assistant United States Attorneys are dedicated full-time to OCDETF cases.

Mr. SMITH. In that case, you get full reimbursement?

Ms. LOVE. Yes. In others, it is done on an FTE basis.

FTE BASIS

Mr. SMITH. Take Customs, then. How does it work with Customs?

Ms. LOVE. For the most part, the investigating agencies, DEA, FBI and Customs, devote their resources on an FTE basis. In the original OCDETF guidelines, it was thought that it would be better practice to devote agents full-time, to have people doing only OCDETF investigations.

We have studied this issue carefully. It was discussed recently by the Executive Review Board (ERB). The ERB concluded that this practice works for some agencies and for others it does not.

For an agency like DEA, for example, when they start a case, they don't know whether it will turn out to be an OCDETF case of not. They begin it with their agents, and they feel that to stop midway in the investigation when the case has been developed by the investigators, and it suddenly becomes an OCDETF case, to pull that team off and put a brand new team on, would be a bad use of resources.

Mr. **Smith**. Mr. Rogers?

REGIONAL STRUCTURE

Mr. **Rogers**. Now, you are organized into what, 13 regions?

Mr. **Ayer**. Thirteen regions, yes.

Mr. **Rogers**. But then you keep referring to these 13 cities.

Mr. **Ayer**. They are core cities—the core city of each region is a headquarters city.

Mr. **Rogers**. For your office?

Mr. **Ayer**. For the OCDETF program. There is a core city U.S. Attorney who has oversight of the regional program, and he in turn has an Assistant U.S. Attorney coordinator who, on a full-time basis, oversees it. His role is to coordinate the activities of the agencies that, in turn, have full-time coordinators.

Mr. **Rogers**. It all sounds very complicated to me.

Mr. **Ayer**. It actually works very well. We had a study done within the last year—the data was collected in December and January of 1988 and 1989. The report indicated that it is a very successful program. There were certain areas where suggested improvements were made and, frankly, within the last year, we have gone ahead and worked on those areas.

More recently, we have surveyed the country and concluded, with only a couple of exceptions, most of the problems pointed out in the report have been remedied.

So, it is a complicated structure when you first come to it, but the underlying principle is that a number of agencies are coming together to work in a cooperative way. It works very well.

MANAGEMENT STUDY

Mr. **Rogers**. That report that you mentioned, can we get a copy of it?

Mr. **Ayer**. Yes, sir, we will get that for you.

[The information follows:]

MANAGEMENT STUDY
OF THE
ORGANIZED CRIME DRUG ENFORCEMENT
TASK FORCE PROGRAM

BRIEFING PAPER

Submitted to:

OCDETF Program
U.S. Department of Justice
10th and Pennsylvania Avenues, NW
Washington, DC

Submitted by:

Aurora Associates, Inc.
1015-18th Street, NW, Suite 400
Washington, DC 20036
202/463-0950

November 6, 1989

I. INTRODUCTION

A. Background

On October 14, 1982, the President announced the initiative which established the Organized Crime Drug Enforcement Task Force Program (OCDETF). Regional Task Forces were created to coordinate the activities of Justice, Transportation, and Treasury Department agencies.

The OCDETF Program strategy has been to immobilize drug trafficking and money laundering organizations by prosecuting and incarcerating organization members or, where appropriate, extraditing or deporting them; by and divesting them of their power through forfeiture of organization and individual assets. The OCDETF Program has attacked organized drug trafficking from the top, instituting in-depth investigations leading to the prosecution and conviction of the highest level drug traffickers. The Program's nine Federal agencies, acting in concert with numerous State and local agencies, have disabled major drug trafficking organizations by removing the key individuals who provided these organizations with leadership, capital, and expertise.

The OCDETF Program's synchronization of multiple investigations against common target organizations; its effective use of attorneys at the early stages of investigations; its use of financial investigations to reach otherwise invulnerable targets; and its unprecedented success in fostering collaboration among law enforcement agencies from all jurisdictions have demonstrated the efficacy of OCDETF's operational model.

In the few years since its creation, OCDETF has established itself as the "flag ship" of the Federal drug enforcement effort. The National Drug Control Strategy, submitted to Congress on September 5 by President Bush, recognizes the success of the OCDETF model. It reports that,

> "...OCDETF is able to direct thorough, imaginative, and wide-ranging assaults on the movements and activities of drug dealers. Through its 13 regional task forces, the OCDETF program also provides one of the crucial links between Federal and State authorities, enhancing the exchange of information and enforcement strategies. These programs should serve as a model of interagency coordination and be a priority for future expansion in Federal drug enforcement."

Prior studies had documented that OCDETF results surpassed those of non-OCDETF narcotics investigations and prosecutions. A 1985 report, A Caseload Study of The Organized Crime Drug Enforcement Task Force Program, found that:

> "The outcomes of Task Force cases are demonstrably superior to those of other Federal cases, and other Federal drug cases. The rate of dismissal and acquittal are lower; guilty pleas and trial convictions are higher; sentences are longer; seizures and forfeitures are more substantial."

The Caseload Study further found that,

> "The high rate of convictions in Task Force trials (90.3%) is a statement of the quality of investigations and prosecutions. Similarly, the Task Force rate of acquittals is just half that found in other Federal criminal cases."

General Accounting Office (GAO) reports in 1986 and 1987 generally confirmed the validity of the OCDETF Program's claimed statistical success.

After six years, it has become apparent that the most promising strategy for combating major illicit drug traffickers is that of the OCDETF Program. From its inception late in 1982 through the end of FY 1988, the Task Forces:

- initiated 2,352 investigations, resulting in 4,917 indictments and criminal informations, against 16,859 defendants;
- charged over 8,208 top- and mid-level leaders and major suppliers;
- charged 784 persons with CCE violations and 934 individuals with RICO violations; and
- seized cash and property assets totaling $916 million.

During this period, over 10,000 individual defendants were found, or pled, guilty to at least one charge. More than 80 percent of those were handed prison sentences, with many imprisoned for life.

OCDETF was designed to avoid many of the pitfalls of other attempts at coordination among Federal law enforcement agencies. One aspect of this design was a decentralized operational structure with each of the 13 Task Forces granted considerable latitude to develop independently. The 13 Task Forces have, in fact, taken advantage of the flexibility of the OCDETF Guidelines with a resultant 13 different Task Force models.

Although the OCDETF Program, as a whole, had produced extremely impressive outcomes, it was not possible to attribute this success to any particular programmatic model. Furthermore, the level of success within OCDETF has not been equal among all of the Task Forces. This study was commissioned by the Attorney General with the support of all of the OCDETF participating agencies to identify those practices which are associated with the highest levels of Task Force success and those which are impediments to maximum accomplishment.

B. Overview of the Study

This study was conducted between November 1988 and April 1989. The study analyzed cumulative outcome and resource data for the period FY 1983 through FY 1988. The Task Force practices examined were those that were reported and observed in December 1988 and January 1989. Thus, some of the problems found in particular Task Forces have already been remedied.

OCDETF output data was analyzed to determine which were the most successful core city districts. The differences among districts were significant. On a scale that ranged from a maximum possible composite score of 195 to a minimum of 15, the top core city district scored 165 while the low district scored only 53. The average score of the top five core city districts was 112.2. The average for the bottom five core city districts was 59.2.

Site visits to the Task Force core cities were conducted to examine the relative use of over 200 practices to see whether any of these differentially appeared in the five core cities having the best overall results in contrast to those having the lowest output rankings. This analysis revealed over 30 practices in which the "top" and "bottom" five core cities differed.

Generally, it was found that the top five districts follow more closely the letter and certainly the spirit of the Task Force Program Guidelines than do the bottom five core cities. This conformance to the Guidelines has had the intended effect of increasing coordination and cooperation in the top five core cities. This has resulted in an enhanced capacity to resolve conflicts over such issues as case selection, Title 21 jurisdiction, cross-designation, and the withholding of cases.

Although all of the core city districts report shortages of both agents and Assistant U.S. Attorneys (AUSAs), the AUSA shortage is particularly acute in the bottom five districts. In some instances the agent-to-attorney ratio is approaching two and one half times the advisable ratio for OCDETF cases. This distortion has resulted, in part, from a flaw that was built into the OCDETF system. In its desire to create no new bureaucracy, OCDETF has lacked the capacity fully to perform all of the system-wide management functions that a program of this size and complexity requires.

Another OCDETF design problem involves the regional concept with a core city district having a series of responsibilities for the other districts in the Task Force. The non-core city districts, as a group, are performing well. Yet, this is apparently not generally attributable to the contributions of the core cities. The lack of an orientation for the U.S. Attorneys, the single district focus of some of them, and the collegial relationship among them have mitigated against their assurance of compliance with the Task Force regionalized model.

Notwithstanding these several design elements which should perhaps be reconsidered, the OCDETF Program model has proven its validity. Some "find tuning," an increase in management capacity, and more stringent compliance enforcement are all that are required to maximize the effectiveness of the program and assure its continued vitality.

OCDETF ROLE

Mr. ROGERS. I am an old State's Attorney, and I know how sometimes different law enforcement agencies claim credit for the same kill, sort of like in World War II, there were a lot of aces, but not too many planes were shot down. They were shooting down the same plane. It is sometimes easy to draw statistics to favor a particular point of view. You are doing your share of drawing statistics in your statement.

As I say, I am having a little bit of difficulty deciphering your organizational structure, and what it is mechanically that you do. What are you doing that the local FBI regional office or the DEA office or the State Attorney General, or whatever, what are you doing that they are not doing already?

Mr. AYER. Number one, they, of course, are part of this program, so it isn't a matter of duplicating effort with those agencies. They are all a part of it. Each one is a participant in this; FBI, DEA, Customs, IRS, et cetera.

What we are mainly doing is targeting major organizations. There is a screening process to designating an OCDETF case which is participated in by all of the agencies involved. There is also an approval process in order to make an investigation an OCDETF case. Once it is made an OCDETF case, the objective is to target the appropriate resources, use the expertise of the appropriate agencies in order to develop that case as effectively as possible.

The point of it is that you are trying to target major organizations. You are trying to put major organizations out of business as effectively as you can. You are trying to incarcerate and punish major offenders.

Mr. ROGERS. Well, who is head of a regional office? Is that a U.S. Attorney?

Mr. AYER. The U.S. Attorney. The core city U.S. Attorney is in charge of the region.

Mr. ROGERS. So, in my region now, the Great Lakes, Kentucky is in the Great Lakes Division. That shows how relevant we are.

Mr. SMITH. You have a lot of lakes.

STATE AND LOCAL COOPERATION

Mr. ROGERS. We have some great lakes, but not the ones you are thinking about. So, let me get this straight now. The Police Department in Lexington, Kentucky, are they aware that you exist?

Mr. AYER. I would think so. There is another arm, another organization that has existed since about 1982, and that is the Law Enforcement Coordinating Committee, which the Department set up to establish a formal way of trying to make sure that law enforcement is in communication.

Many places——

Mr. ROGERS. So, the Chief of Police in Lexington has what he thinks is a piece of a tentacle to a larger organized crime type of activity, would he than know who to contact to try to track this thing down?

Mr. AYER. We would hope that he would.

Mr. ROGERS. How would he know that?

Mr. AYER. He would know that if we have been effective through the LECC, which I just described—if the law enforcement community has been effective in achieving good communication among its branches. One thing I should say is that State and local law enforcement organizations are significant players in the OCDEFT program.

Where I was the U.S. Attorney——

Mr. ROGERS. Stay with me now. The Lexington Chief of Police would know about your agency?

Mr. AYER. I would hope so.

Mr. ROGERS. Then who would he make his case to?

Mr. AYER. Number one, it is not an agency. It is a confederation, if you will, of law enforcement agencies. He would do it any one of a number of ways. He could go to a DEA agent, he could work through the U.S. Attorney, or he could work through the AUSA coordinator.

I think he could go through any law enforcement agency that had a role to play and say he thinks he has this case that might be the right kind of a case. This could then be fed into the process for designation as an OCDETF case. It would be scrutinized to see if it had the earmarks of the kind of a case to merit the intensive targeting of resources.

OCDETF CASE STANDARDS

Mr. ROGERS. What kind of criteria is that?

Mr. AYER. Number one, it has to do with the size of the organization and the nature of the trafficking that is involved. Also, the amount of drugs would be a part of it. The geographic spread would be a factor to consider. The need for this sort of an organization is greater when you have a broad geographic area to cover.

Part of the reason to make an OCDETF case would be to deal with problems even if they go outside of a city, a county, or State. Another aspect would be the complexity of the organization, as best you can tell. One question would be whether we need to conduct a money-laundering investigation which would justify bringing in Treasury people and FBI and other agenices familiar with that.

The point is to bring in the cases and investigate the cases where the intense expertise and the significant resources really will be of benefit and will, in fact, add something significant.

Mr. ROGERS. So he passes the test, then what does he get out of it?

Mr. AYER. You mean his actual agency?

Mr. ROGERS. No, what happens?

Mr. AYER. The case would become the target of that task force. It might be either in a core city or in another district not in the core city. And agencies, other than the Police Department, would get involved in investigating it along with whoever it was that originated it. The targeting of resources would essentially be tailored to the nature of the case. You wouldn't put a bunch of IRS agents on a case with no financial aspects.

STATE AND LOCAL OVERTIME

One very concrete thing that he might get would be overtime money for his own law enforcement people. There is a $5 million request in the OCDETF budget, the part that goes to DEA, for overtime money for local law enforcement people to participate in OCDETF cases. He would get a lot out of the effective handling of that case.

1991 INCREASES

Mr. ROGERS. You are requesting $330 million, which is almost double, by 11——

Mr. AYER. It is 56 percent—54 percent more, I think, in gross terms than last year's.

Mr. ROGERS. How will that be used?

Mr. AYER. First of all, we have to look at an adjustment to the base, which arises from uncontrollable costs that we are already committed to and which is about $8 million.

That brings us up to a base of $223 million. So, the increase over that base is actually only 48 percent. A 25-percent increase is necessary in order to put within the OCDETF budget resources that already are being committed by the FBI, the INS, and the IRS. They are already committing agents and oher personnel to the OCDETF program from their non-OCDETF appropriations.

The reason they are doing that is because they found that necessary in order to answer the need of the investigations that are out there. So, if you just fund these increases that are listed in our request for FBI, INS and IRS, there would be an increase of $56, almost $57 million, which would be an increase of 25 percent. That would actually not increase the resources committed to OCDETF. You would be up at about $280 million right there without increasing the number of people on the ground doing OCDETF work.

The actual increase in terms of real resources being added to the program comes in the appropriations for DEA, Customs, BATF, and U.S. Attorneys. That is where virtually all of it comes. That is a 23-percent increase, or $50.7 million.

REIMBURSEMENT PROCESS

Mr. ROGERS. For example, the DEA, you list $19 million-plus for the DEA portion of your request, right?

Mr. AYER. Right.

Mr. ROGERS. Now, what does that mean? Does that mean that you would have that amount of money that you would be able to reimburse DEA for borrowing their manpower, so to speak?

Mr. AYER. You could say that, but I wouldn't think of it in terms of borrowing. The point of the reimbursement is accountability. That was the reason why I think Congress did it. They wanted to make sure that this money didn't get sent into some other activities, but made sure it is targeted on important, intensive OCDETF drug investigations.

So, what we are setting up, and have now almost virtually completed, is a reimbursement process whereby each agency that participates submits an operating plan. This is what they plan to spend in each month. By the end of this year, we will have that all on a regional or a task force basis.

They then submit a monthly report as to what they actually did during each month. This is all taken to the OCDETF administrative staff—which is 10 people, and we are requesting three more here in Washington. Quarterly, they request the reimbursement, which is the funding of the program.

All current indications are that we are effectively reaching the reimbursements at the rate intended. You could say borrow, but really these people are committed to the OCDETF program. These resources are committed. The point of the reimbursement is to act as a management check to make sure that these resources are properly used. It looks like it is working well.

Mr. SMITH. I think that is all. We have some questions we will ask you to answer for the record.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

Organized Crime Drug Enforcement

Program Effectiveness

QUESTION: How effective has the OCDE program been in its first year of operation?

ANSWER: The Anti-Drug Abuse Act of 1988, in addition to mandating the creation of a single appropriation to reimburse agencies for their participation in the Organized Crime Drug Enforcement Task Force (OCDETF) program, provides a clear statement of what would be achieved by this change:

> "(b) Enhancement of Field Activities. - The appropriation and reimbursement procedure described under subsection (a) shall -
>
> (1) provide for the flexibility of the Task Forces which is vital to success;
>
> (2) permit Federal law enforcement resources to be shifted in response to changing patterns of organized criminal drug activities;
>
> (3) permit the Attorney General to reallocate resources among the organizational components of the Task Forces and between regions without undue delay; and
>
> (4) ensure that the Task Forces function as a unit, without the competition for resources among the participating agencies that would undermine the overall effort."

(Section 1055 (b), Public Law 100-690, The Anti-Drug Abuse Act of 1988, 102 STAT. 4191)

It is apparent from the language of this section that Congress had three purposes in mind in creating the new process: accountability, control, and flexibility.

The process has been very effective in the implementation stages. We have had the full and unrestricted cooperation of all of the participating agencies and have developed a budget request for 1991 that is based on a collective analysis of the needs of the program.

Admittedly we have some way to go before full effectiveness is achieved, because we must have the resource utilization and productivity data that will be generated as a part of the 1990 budget execution process. Here, also, all of the participating agencies as well as the field offices have been truly responsive to our requests for information which will make the OCDETF budget process as much a model for replication as is the substantive program.

Reimbursements to Participating Agencies

QUESTION: Did all agencies receive the full reimbursement requested in your 1990 budget?

ANSWER: The initial funding for the OCDE consolidated appropriation was contained in two 1990 appropriations bills -the Department of Justice bill and the Department of Transportation bill. Immediately after the enactment of these bills, reimbursable agreements with each of the 11 OCDETF participating agencies were executed. The amounts specified in each of these agreements are consistent with the levels referenced in the reports issued by this Committee and its counterpart in the Senate.

These agreements establish the maximum amount each agency can receive in return for providing the specified services. As with any reimbursable arrangement, agencies are required to document actual costs incurred and submit periodic billings.

The budget execution process we have established for the OCDETF program requires that each participating agency submit a monthly report on obligations incurred in support of the program. Billings are submitted quarterly. We have recently received billings for the first quarter of 1990, and they are being processed.

There is nothing in the agency operating plans, the first quarter billings, or the obligation data from the month of January to indicate that any of the 11 agencies will fail to earn the full amount of their reimbursable agreement. In fact, for most agencies the opposite is true--resources being dedicated to the program will exceed the amounts available through the reimbursable agreements.

Measuring Program Success

QUESTION: Can you measure the success you have had under the expanded OCDE program compared to the old program?

ANSWER: For the past five years each participating agency included the resources necessary for the OCDETF program in its own budget. Now these agencies, from the Departments of Justice, Treasury and Transportation, must seek reimbursement for their contribution to the program.

By placing all of the resources for Federal agency participation in the OCDETF program into a consolidated appropriation, accountability is achieved. Instead of gathering resource information from 11 separate agencies, we now need only look to the Attorney General for an accounting of the level of resource dedication to this program.

It is clear that accountability could not be achieved without vesting control of the resources for this program in one place. The establishment of the new appropriation account in the Department of Justice, under the direct control of the Attorney General, accomplishes this goal.

The process of reimbursements to participating agencies, and the authority to reallocate resources among agencies and Task Forces provides the Attorney General with the flexibility needed to efficiently and effectively manage the OCDETF program.

We believe that the execution process we have established for 1990 will not only satisfy the normal budgetary requirements, but will also serve as the basis for development of a resource allocation and monitoring system which will serve as an important program management tool. As the year progresses, we will gather more detailed information from each agency and will develop a system of reporting obligations by geographic area (Task Force). When fully implemented, our budget execution process will prove to be an invaluable tool for program managers. Not only will we know how much has been obligated for investigations and prosecutions, we will also know how much each participating agency has obligated for these purposes and in which Task Force locations.

Interagency cooperation and assistance were instrumental to development of what I believe was a most successful 1991 Consolidated Budget. Beginning with an Executive Review Board (ERB) meeting on April 6, 1989 which initiated the OCDETF Budget process for 1991, through final negotiations with the Office of Management and Budget and the Office of National Drug Control Policy in late December, agency heads and their representatives have been integral participants.

The enhancement of policy development and strengthening of the oversight function of the OCDETF program through a revitalization of the ERB and the Washington Agency Representatives Group (WARG) will contribute further to the interaction and participation of the agency heads in the consolidated budget process.

Plans for the 1992 budget process call for the ERB to perform a review of each member agency budget request. The implementation of a comprehensive, program-wide budget review system for 1992 will serve several purposes:

- the ERB's ability to carry out its responsibilities in connection with resource allocation decisions for Task Force operations nationwide will be strengthened;

- the high-level management review will ensure that substantive cross-organizational resource issues and concerns are addressed appropriately; and

- it will ensure that the requisite resource background information and supporting data to assist the Attorney General in providing strong central oversight of the OCDETF program is provided.

Direct Funding of OCDE Effort

QUESTION: Why should the Committee provide an additional $107 million to this program instead of providing it directly to the organizations for their regular drug program?

ANSWER: The main reason would be to comply with the mandate contained in the Anti-Drug Abuse Act of 1988. That legislation states that the Attorney General shall submit a separate appropriation request, beginning in 1990, for expenses relating to all Federal agencies participating in OCDETF. Since the language is not discretionary, we believe that the consolidated appropriation is intended to include all resources dedicated to the program.

Beyond this, however, there are several very practical reasons not to appropriate the $107 million in requested program increases directly to the organizations for their regular drug program or for OCDETF. The OCDETF program has proven itself to be the most effective means of combatting major organized crime drug organizations. The $107 million will result in the greatest return on the dollar in the OCDETF program.

At the same time, all of the advantages of the consolidated appropriation will be minimized or entirely lost if only part of the required program funding is included. To be sure, the agencies would continue to devote resources to the OCDETF effort, but accountability and coordination would fall by the wayside. Finally, the Attorney General's ability to insure the most efficient and effective utilization of OCDETF resources would be diminished.

We truly believe that in addition to being a model for interagency cooperation, as the program has been described in the National Drug Control Strategy, we are well along the way to creating a model for fiscal coordination which will be replicated in many areas.

Ratio of Prosecutors to Investigators

QUESTION: You request $19 million for additional prosecutorial resources in order to maintain a 1 to 4 ratio of prosecutors to investigators. How did you arrive at this ratio? Is it comparable to the ratio of Assistant U.S. Attorneys to investigators throughout the Federal government?

ANSWER: A few years ago, a caseload study of the OCDETF program was conducted by an outside consultant in which a detailed examination was made of eighteen of the very best and most successful OCDETF investigations/prosecutions. In this study, the consultant considered all of the factors that resulted in these very complicated cases reaching their successful conclusions. One of the most important factors was that an adequate number of attorneys were assigned to the investigations along with the investigators at a very early stage and that they all worked as a cohesive team from the very beginning. In addition, we are finding that because of the long-term sentences a very large percentage of convicted defendants are appealing their convictions, which obviously requires significant amounts of attorney time.

The well-documented result was then, and continues to be, that OCDETF quality investigations and prosecutions demand a multi-agency team approach in which the prosecutor has the time to contribute to the total process. This translated then to one prosecutor for every four Federal investigators and we have seen nothing to suggest that this finding is not still valid.

It should be noted however, that while we have striven over the past few years to maintain the 1:4 ratio for Federal personnel we have had increasing numbers of State and local officers working in the Task Forces. This personnel increase has not been factored into the ratio resulting in a ratio of investigators to prosecutors which is higher than the base of 4 to 1.

Regular, non-OCDETF prosecutions are not as attorney labor intensive and a smaller number of attorney workyears can support a larger number of investigatory field personnel. Drawing from the data provided in the Office of National Drug Control Policy's National Drug Control Strategy-Budget Summary, January 1990, we estimate the non-OCDETF ratio to be approximately 1 to 12.

Prosecutorial Resources - Impact of Denial

QUESTION: What impact would it have on your ability to prosecute if this $19 million is denied?

ANSWER: The $19 million increase requested for the United States Attorneys would provide an additional 151 prosecutors for the OCDETF program, plus the related critical support positions. These resources will enable the U.S. Attorneys to:

- maintain an aggressive posture in the war against drugs;

- enhance the Federal Government's leadership role in the investigation and prosecution of major crack cocaine organizations;

- expand investigations targeting the major suppliers, organizers, and distributors of other illicit drugs: and

- establish a ratio of one attorney for every four agents in the OCDETF program.

Denial of the entire increase for U.S. Attorneys would cause serious harm to the program. Examples of the adverse results follow:

- Investigations will be slowed, due to the unavailability of attorney time, resulting in an increasing backlog of unindicted cases;

- Investigations will proceed to indictment with less participation by attorneys, resulting in cases that are less well prepared, with less desirable outcomes; and

- Investigators will lose their ability to respond promptly and appropriately to tactical and strategic demands, as attorneys are less able to provide needed services, adding to costs and reducing the effectiveness of investigations.

Administratively Uncontrollable Overtime Costs

QUESTION: Do your estimates include amounts sufficient to reimburse agent personnel for the additional cost associated with Administratively Uncontrollable Overtime?

ANSWER: The enactment of P.L. 101-173, which changes the basis on which administratively uncontrollable overtime payments are calculated, will require an additional $7 million in the OCDETF program in 1991. It is anticipated that the participating agencies will absorb these costs largely in non-personnel areas. No reductions in agents will be required. The OCDETF appropriation will reflect a net increase of 502 reimbursable agent positions and 348 agent workyears over the 1990 level.

THURSDAY, MARCH 15, 1990.

GENERAL ADMINISTRATION/FEES AND EXPENSES OF WITNESSES

WITNESSES

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

DAVID L. MILHOLLAN, DIRECTOR, EXECUTIVE OFFICE FOR IMMIGRATION REVIEW

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ROBERT N. FORD, DEPUTY ASSISTANT ATTORNEY GENERAL, DEBT COLLECTION MANAGEMENT

STEPHEN R. COLGATE, DEPUTY ASSISTANT ATTORNEY GENERAL, INFORMATION AND ADMINISTRATIVE SERVICES

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

JAMES G. RICHMOND, U.S. ATTORNEY FOR THE NORTHERN DISTRICT OF INDIANA

MYLES E. FLINT, DEPUTY ASSISTANT ATTORNEY GENERAL, LAND AND NATURAL RESOURCES DIVISION

JEFFREY AXELRAD, CHIEF, TORTS LITIGATION BRANCH, CIVIL DIVISION

HOWARD SAFIR, ASSOCIATE DIRECTOR FOR OPERATIONS, U.S. MARSHALS SERVICE

EUGENE L. COON, CHIEF, WITNESS SECURITY DIVISION, U.S. MARSHALS SERVICE

Mr. MOLLOHAN. Next, we will hear testimony concerning the General Administration and the Fees and Expenses of Witness appropriations.

The request for fiscal year 1991 for General Administration, Department of Justice is $101,061,000, and $70,628,000 is requested for Fees and Expenses. We will insert into the record at this point the fiscal year 1991 budget justifications for these accounts.

[The justifications follow:]

Department of Justice
General Administration
Estimates for Fiscal Year 1991
Table of Contents

Page Number

Appropriation Level Material

Organization Chart 1
Summary Statement 2
Justification of Proposed Changes in Appropriation Language 4
Crosswalk of 1990 Changes 5
Summary of Requirements 6
Financial Analysis - Program Changes 7
Priority Ranking 8
Detail of Permanent Positions by Category 9
Summary of Change 10
Justification of Adjustments to Base 11
Summary of Requirements by Grade and Object Class 14
Consulting and Related Services 17

Organization Level Material

Program Direction and Policy Coordination

Department Leadership

- Summary of Requirements 18
- Justification of Program and Performance 19

Executive Support

- Summary of Requirements 21
- Justification of Program and Performance 22

Intelligence Policy and Professional Review

- Summary of Requirements 26
- Justification of Program and Performance 27

Justice Management Division

- Summary of Requirements 30
- Justification of Program and Performance 31

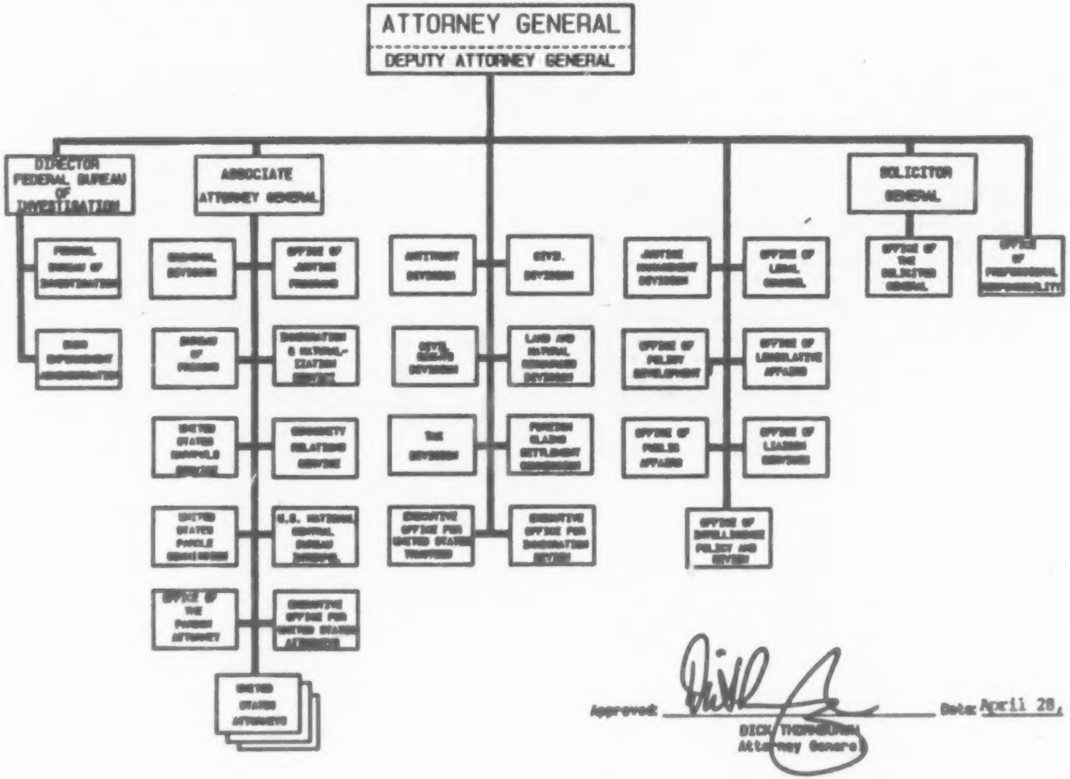
Facilities Program 2000

- Summary of Requirements 35
- Justification of Program and Performance 36

Administrative Review and Appeals

- Summary of Requirements 38
- Justification of Program and Performance 39

U.S. DEPARTMENT OF JUSTICE


ATTORNEY GENERAL
DEPUTY ATTORNEY GENERAL
DIRECTOR FEDERAL BUREAU OF INVESTIGATION
ASSOCIATE ATTORNEY GENERAL
SOLICITOR GENERAL
CIVIL DIVISION
TAX DIVISION
LAND AND NATURAL RESOURCES DIVISION
OFFICE OF LEGISLATIVE AFFAIRS
U.S. NATIONAL CENTRAL BUREAU INTERPOL
UNITED STATES PAROLE COMMISSION
UNITED STATES ATTORNEYS

Approved: Dick Thornburgh Date: April 28, 1989

DICK THORNBURGH
Attorney General

General Administration
Salaries and Expenses
Summary Statement
Fiscal Year 1991

The General Administration appropriation is requesting, for 1991, a total of $101,061,000, 1,098 permanent positions, and 1,138 workyears. This request represents an increase of $4,611,000 and 30 workyears and a decrease of four permanent positions from the 1990 appropriation.

The primary mission of the General Administration appropriation is to support the Attorney General and the senior policy level officials of the Department in the development of policy objectives and the management of the Department. In addition, selective administrative support is provided to the legal divisions and other components within the Department. This appropriation also supports two organizations responsible for the administrative review and appeal of decisions relating to individuals, and the Administrative Law Judge function resulting from the passage of the Immigration Reform and Control Act. The mission of the General Administration appropriation is accomplished through the programs contained in two budget activities: (1) Program Direction and Policy Coordination and (2) Administrative Review and Appeals. The major initiatives and resource requests for these activities and programs are summarized below.

Program Direction and Policy Coordination

This budget activity includes resources for the primary missions of the Offices supported by the following programs: Department Leadership, Executive Support, Intelligence Policy and Professional Review, and the Justice Management Division and Facilities 2000. These programs consist of the following:

The Department Leadership program consists of the Offices of the Attorney General and the Deputy Attorney General. These Offices are responsible for developing appropriate policies regarding the administration of justice in the United States; effectively representing the United States in justice-related matters; and providing advice and opinions on legal matters to the President, members of the Congress and heads of Executive departments and agencies. The 1991 budget request no longer reflects the Office of the Associate Attorney General. A program decrease of $208,000 is requested in support of Administration effrots to reduce Federal spending.

The Executive Support program consists of the Offices of Policy Development, Public Affairs, Legislative Affairs and Liaison Services. Its primary missions are to study the issues central to the Department's policy agenda and to provide the thorough legal and policy analysis to undergird new Department initiatives for legal reform in a wide variety of areas; to ensure that the Department operates effectively with the Congress and the Office of Management and Budget to advance its legislative goals; to inform Department personnel, the media and the public of Department activities expeditiously and accurately; to counsel the Attorney General and other Department officials in their dealings with the media and Congress; and to coordinate and facilitate the flow of information applicable to Federal, state, county and local governments, related interest groups, special interest groups, and other private entities. A program decrease of $286,000 is requested in support of Administration efforts to reduce Federal spending.

The Intelligence Policy and Professional Review program consists of the Office of Intelligence Policy and Review and the Office of Professional Responsibility. This program is responsible for the coordination, development and implementation of Departmental policy on intelligence and national security matters. It is also responsible for strengthening the integrity of and maintaining public confidence in the Department of Justice, and in fostering among all Department employees a commitment to professional responsibility. A program decrease of $80,000 is requested in support of Administration efforts to reduce Federal spending.

The Justice Management Division (JMD) is responsible for ensuring that the management initiatives of the President, the Attorney General, and the Congress are implemented soundly and that administrative support services are delivered efficiently and effectively. Specifically, JMD provides organizations with policy guidance and/or direct support in the area of personnel, training, procurement, information processing, management, budget, facilities and security. Also included in JMD is a pilot project to retain private counsel in ten judicial districts to collect debts owed to the United States. A net program decrease of four positions, six workyears and $1,143,000 is requested. Program changes include the following: Program increases of five positions and $580,000 are needed to the support the Office of the General Counsel's Ethics and Program Fraud activities; address the Department's Equal Employment Opportunity Complaints processing workload; and support productivity improvement activities. Offsetting program decreases totaling nine positions and $1,723,000 represent reductions associated with productivity savings and Administration efforts to reduce Federal spending.

Facilities 2000 is a new activity established to implement plans for the consolidation of Department components located in the Washington metropolitan area. Current plans for Facilities Program 2000 are to consolidate nineteen components into three office buildings (including the International Cultural and Trade Center/Federal Office Building) over the next ten years. The $970,000 request in 1991 is to initiate engineering and design activities. (These resources are requested as no-year monies.)

Administrative Review and Appeals

This program includes the Office of the Pardon Attorney and the Executive Office for Immigration Review (EOIR). The Office of the Pardon Attorney is the focal point for the receipt, investigation and consideration of petitions for all forms of Executive clemency and serves as the principal liaison with the general public in clemency matters. The major staffs of the Executive Office for Immigration Review are: the Office of the Chief Immigration Judge where immigration judges hold hearings to determine the status of aliens; the Board of Immigration Appeals which hears appeals from certain decisions of the Immigration and Naturalization Service and immigration judges; and the Office of the Chief Administrative Hearing Officer which provides overall program direction and establishes priorities for the Administrative Law Judges. A program decrease of $1,328,000 is requested in support of Administration efforts to reduce Federal spending.

General Administration

Salaries and Expenses

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For expenses necessary for the administration of the Department of Justice, [$100,925,000]; $101,061,000, of which $970,000 shall remain available until expended.
(8 U.S.C. 1103(A); 28 U.S.C. 501, 502, 504, 507-526, 1929; Department of Justice Appropriation Act, 1990; additional authorizing legislation to be proposed).
[For carrying out efforts at National Drug Control and the President's initiative to combat violent crime, $10,261,000 to enhance drug and criminal law enforcement efforts with special emphasis on improving drug law enforcement efforts among the various Justice Department agencies and on expedited deportation proceedings of convicted criminal agencies.]
(Department of Transporation and Related Agencies Appropriatons Act, 1990.)

Explanation of changes

The proposal will establish no-year funding for the Facilities Program 2000 within a separate program. The no-year account structure will provide the fiscal flexibility needed over the life span of the project.

General Administration
Salaries and Expenses
Crosswalk of 1990 Changes
(Dollars in thousands)

Activity/Program	1990 President's Budget Request Pos.	WY	Amount	Congressional Appropriation Actions on 1990 Request Pos.	WY	Amount	1990 Sequestration Pos.	WY	Amount	Approved Reprogrammings Pos.	WY	Amount	1990 Appropriation Pos.	WY	Amount
1. Program Direction and Policy Coordination															
a. Department Leadership.	56	58	86,016	...	...	...	...	...	-78	...	...	...	56	58	85,938
b. Executive Support.....	67	74	7,368	...	...	...	...	...	-94	...	...	...	67	74	7,274
c. Intelligence Policy and Prof. Review.....	42	42	3,554	-20	-20	-1,332	...	...	-28	...	...	...	22	22	2,194
d. Justice Management Division.............	422	436	46,188	...	3	-1,393	...	...	-573	...	...	...	422	439	44,222
Subtotal..............	587	610	63,126	...	-17	-2,725	...	...	-773	...	...	...	567	593	59,628
2. Administrative Review and Appeals															
a. Administrative Review & Appeals............	543	541	37,799	-8	-6	-500	...	...	-477	...	...	...	535	535	36,822
Total.................	1,130	1,151	100,925	-28	-23	-3,225	...	...	-1,250	...	...	...	1,102	1,128	96,450

Congressional Appropriations Actions. Congress approved the Department's request that 20 positions and $1.3 million not be transferred from the Office of Inspector General to the Office of Professional Responsibility at this time. Congress reduced the Justice Managment Division's program increase for Debt Collection activities and failed to provide resources requested for transfer to the Commission on Catastrophic Nuclear Accidents. Congress also approved a reduced level of program increase associated with the Executive Office for Immigration Review's Office of the Chief Administrative Hearing Officer.

1990 Sequestration. Amounts shown represent permanent reductions imposed by the Omnibus Budget Reconciliation Act of 1989.

General Administration
Salaries and Expenses
Summary of Requirements
(Dollars in thousands)

Adjustments to Base:	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990	1,102	1,128	$ 87,439
Department of Transportation Appropriations Act, 1990--Emergency Drug Funding	...	...	10,261
1990 as enacted	1,102	1,128	97,700
1990 Sequestration	...	...	-1,250
1990 appropriation adjusted	1,102	1,128	96,450
Mandatory increases	...	36	7,317
Decreases	...	...	-631
1991 base	1,102	1,164	103,136

Estimates by budget activity	1990 Appropriation			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Program direction and policy coordination:												
a. Departmental Leadership	56	58	$5,938	46	48	$6,086	46	48	$5,878	...	...	-$208
b. Executive Support	67	74	7,274	77	84	8,245	77	84	7,959	...	...	-286
c. Intelligence Policy and Prof. Review	22	22	2,194	22	22	2,429	22	22	2,349	...	...	-80
d. Justice Management Division	422	439	44,222	422	447	46,678	418	441	45,535	-4	-6	-1,143
e. Facilities Program 2000	...	...	...	...	...	...	...	...	970	...	...	970
2. Administrative Review & Appeals	535	535	36,822	535	563	39,698	535	563	38,370	...	...	-1,328
Total	1,102	1,128	96,450	1,102	1,164	103,136	1,098	1,158	101,061	-4	-6	-$2,075

	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
EOY Employment:												
Full-time permanent	1,025	39	1,064	1,059	44	1,103	1,053	44	1,097	-6	...	-6
Other	103	...	103	105	...	105	105	...	105	...	...	...
Total	1,128	39	1,167	1,164	44	1,208	1,158	44	1,202	-6	...	-6

General Administration

Salaries and Expenses

Financial Analysis - Program Changes

(Dollar in thousands)

Item	Program Increases				Program Decreases										Total	
	Justice Management Division		Facilities Program 2000		Department Leadership		Executive Support		Intelligence Policy and Prof. Respon		Justice Management Division		Administrative Review and Appeals		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades																
GS/GM-15	1	$59	...	...	...	...	...	...	...	...	...	...	...	...	1	$59
GS/GM-14	1	50	...	...	...	...	...	...	...	...	-1	-50	...	...	...	...
GS/GM-13	...	...	...	...	...	...	...	...	...	...	-3	-129	...	...	-3	-129
GS-12	1	36	...	...	...	...	...	...	...	...	-1	-36	...	...	...	...
GS-9	2	49	...	...	...	...	...	...	...	...	-4	-100	...	...	-2	-51
Total positions and annual rate	5	194	...	...	...	...	...	...	...	...	-9	-315	...	...	-4	-121
Lapse (-)	-2	-74	...	...	...	...	...	...	...	...	...	...	...	...	-2	-74
Total workyears & personnel compensation	3	120	...	...	...	...	...	...	...	...	-9	-315	...	...	-6	-195
Personnel benefits	...	30	...	...	...	...	...	...	...	...	...	-78	...	...	...	-48
Rental payments to GSA	...	12	...	...	...	...	...	...	...	...	...	-21	...	...	...	-9
Other services	...	409	...	$970	...	-$208	...	-$286	...	-$80	...	-1,309	...	-$1,328	...	-1,832
Equipment	...	9	...	...	...	...	...	...	...	...	...	...	...	...	...	9
Total, workyears and obligations changes	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
requested, 1991	3	580	...	970	...	-208	...	-286	...	-80	-9	-1,723	...	-1,328	-6	-2,075

General Administration

Salaries and Expenses

Priority Rankings

Base Program

Program	Ranking
Department Leadership	1
Intelligence Policy and Prof. Review	2
Justice Management Division	3
Executive Support	4
Administrative Review and Appeals	5

Program Increase

Program	Ranking
Justice Management Division	1
Facilites Program 2000	2

General Administration

Salaries and Expenses

Detail of Permanent Positions by Category

Fiscal Years 1989-1991

Category	1989 Authorized	1990 Authorized	1991 Program Increases	1991 Program Decreases	1991 Total
Attorneys(905)	255	267	2	...	269
Paralegals (950)	12	12	...	...	12
Gen.Admin./Clerical (300-399)	533	523	1	-5	519
Information and Arts (1000-1099)	6	6	...	...	6
Business & Industry (1100-1199)	24	24	...	...	24
Security Specialist (080)	34	34	2	...	36
Personnel Management (200-299)	68	68	...	...	68
Accounting/Budget (500-599)	87	83	...	...	83
Library (1400-1499)	23	23	...	-4	19
Equipment, Facilities and Service Group (1600-1600)	...	1	...	...	1
Supply Group (2000-2099)	19	19	...	...	19
Motor Vehicle Operations (5703)	13	13	...	...	13
Miscellaneous Occupations (001-099)	29	29	...	...	29
Total	1,103	1,102	5	-9	1,098
Washington	671	609	5	-9	605
U.S. Field	432	493	...	...	493
Total	1,103	1,102	5	-9	1,098

General Administration
Salaries and Expenses
Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Department of Justice Appropriation Act, 1990	1,102	1,128	$ 87,439
Department of Transportation Appropriation Act, 1990--Emergency Drug Funding	...	...	10,261
1990 as enacted	1,102	1,128	$ 97,700
1990 Sequestration	...	...	-1,270
1990 appropriation adjusted	1,102	1,128	$ 96,430
Adjustments to base:			
Mandatory increases:			
Annualization of 67 additional positions in 1990	...	36	2,022
Additional compensable day	...	...	237
1990 full-year pay increase impact on 1991[1]	...	...	2,383
1991 pay increase	...	...	882
Senior Executive Service salary increase	...	...	311
Special salary rates	...	...	69
Health benefits	...	...	396
GSA rent	...	...	300
GPO printing costs	...	...	20
Employee data and payroll costs	...	...	19
Distributed administrative support	...	...	18
National Security Emergency Preparedness	...	...	172
Total, mandatory increases	...	36	7,317
Decreases:			
Federal Telecommunications System (FTS)	...	...	-239
Nonrecurring costs for equipment and training	...	...	-372
1991 Base	1,102	1,164	103,136
Program increases	3	3	1,350
Program decreases	-7	-9	-3,425
Total Program changes[1]	-4	-6	-2,075
1991 Request	1,098	1,158	101,061

---

[1] The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

General Administration
Salaries and Expenses
Justification of Adjustments to Base
(Dollars in thousands)

	Work-years	Amount
Mandatory increases:		
1. Annualization of 1990 new positions	36	$2,022

This provides for full annualization of 67 additional positions approved in the 1990 President's Budget, of which 50 are associated with the President's Crime Initiative. The remaining 17 positions are associated with the Private Counsel for Debt Collection initiative and the Immigration Reform and Control Act of 1986.

	Approved 1990 Increases	Annualization Required
Annual salary rate of 67 approved positions	$2,110,000	
Less lapse (40%)	-830,000	$830,000
Net compensation	1,280,000	830,000
Associated employee benefits	226,000	179,000
Non-personnel costs	3,133,000	1,013,000
Total costs subject to annualization	$4,639,000	$2,022,000

	Work-years	Amount
2. Additional compensable day	...	237

The annual salary rate for Federal employees is based on 260 paid days. 1991 has one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.

	Work-years	Amount
3. 1990 Full-year pay increase impact on 1991	...	2,303

This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase $2,303,000 is the amount required for full-year funding in 1991. NOTE: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

		Work-years	Amount
4.	1991 pay increase..........	...	$882
	For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This request provides for 50 percent of the proposed 4.0 percent pay increase effective in January of 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $882,000, is the cost of the pay increase for approximately three-quarters of the year assuming a 50-percent absorption.		
5.	Senior Executive Service salary increase..........	...	311
	This request represents the 1991 costs of the pay increase for Senior Executive Service Employees. This pay raise is to be effective in January of 1990, but will be absorbed completely for the first year. In 1991, an increase of $311,000 is necessary for this requirement. Funding for the executive level employees pay raise is completely absorbed in both years.		
6.	Special salary rates..........	...	69
	This request provides increases as authorized by law in 5 U.S.C. 5303. The Office of Personnel Management has approved these rates for positions where retention and recruitment of qualified applicants is a problem. The Department's request represents coverage of 33 authorized special rates.		
7.	Health benefits..........	...	396
	The Federal Employees Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1990, the actual contribution to health insurance increased 12 percent. The requested increase of $396,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.		
8.	GSA rent..........	...	388
	GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $388,000 is required to meet our commitment to GSA.		
9.	GPO printing..........	...	20
	The Government Printing Office (GPO) is currently projecting a seven-percent increase over the 1990 printing costs. An additional $20,000 will be required in 1991.		
10.	Employee data and payroll services..........	...	19
	Centralized employee data and payroll services are provided to all Departmental organizations except the		

	Work-years	Amount
record in 1990 will be raised to $199.52 per record for 1991. The change is based on anticipated uncontrollable cost increases of 6 percent for the operation of the Justice Employee Data Service. An increase of $19,000 will be required in 1991.		
11. Distributed administrative support Under the Foreign Affairs Administrative Support agreement, an annual charge is made by the Department of State (DOS) for administrative support items. The amount of this charge is determined by the DOS. The DOS advises that a 10 percent increase in foreign operation costs is anticipated. The increase of of $18,000 is based on a 1990 base availability of $93,000.	...	$18
12. National Security Emergency Preparedness (NSEP) National Security Decision Directive 201, "National Security and Emergency Preparedness (NSEP) Telecommunications Funding," directed that implementation and recurring costs for the National Level NSEP Telecommunications Program be shared on a pro rata basis. The Department's assessed share of the NSEP will increase by $172,000 in 1991.	...	172
Total, mandatory increases	...	7,317
Decreases:		
1. Federal Telecommunications System (FTS) In 1991, the General Services Administration (GSA) is to have the FTS 2000 system fully implemented. At present GSA projections indicate costs for current FTS minute usage charges will decrease from 34 cents per minute to 18 cents per minute. The requested reduction of $259,000 from a 1990 base of $531,000 reflects this decrease.	...	-259
2. Nonrecurring costs for equipment and training for 30 new positions authorized in 1990 for the President's Crime Initiative	...	-372
Total, adjustments to base	36	6,686

General Administration

Salaries and Expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	1989 Actual Pos. & Wys.	1989 Actual Amount	1990 Estimate Pos. & Wys.	1990 Estimate Amount	1991 Request Pos. & Wys.	1991 Request Amount	Increase/Decrease Pos. & Wys.	Increase/Decrease Amount
Executive Level I, $107,300	1		1		1		...	
Executive Level II, $96,600	1		1		1		...	
Executive Level III, $89,000	1		1		1		...	
Executive Level IV, $83,600	2		2		2		...	
ES-6, $83,600	13		13		13		...	
ES-5, $81,400	9		9		9		...	
ES-4, $79,200	16		16		16		...	
ES-3, $77,600	8		8		8		...	
ES-2, $74,400	3		3		3		...	
ES-1, $71,200	7		7		7		...	
GS/GM-17, $78,200	1		1		1		...	
GS/GM-16, $69,450-78,200	6		10		10		...	
GS/GM-15, $59,216-76,978	188		194		194		...	
GS/GM-14, $50,342 - 65,445	125		120		118		-2	
GS/GM-13, $42,601 -55,385	99		99		98		-1	
GS-12, $35,825 - 46,569	55		50		51		1	
GS-11, $29,891 - 38,859	27		24		24		...	
GS-10, $27,203 - 35,369	8		7		7		...	
GS-9, $24,704 - 32,120	56		52		50		-2	
GS-8, $22,366 - 29,073	53		63		63		...	
GS-7, $20,196 - 26,252	99		129		129		...	
GS-6, $18,174 - 23,628	152		146		146		...	
GS-5, $16,305 - 21,197	71		66		66		...	
GS-4, $14,593 - 18,941	54		52		52		...	
GS-3, $13,020 - 16,874	22		22		22		...	
GS-2, $11,897 - 14,972	3		3		3		...	
Ungraded positions	23		23		23		...	
1991 pay increase	...	...	...	...	...	744	...	744
Total, appropriated positions	1,103	$41,191	1,102	$48,158	1,098	$50,233	-4	$2,075
Pay above stated annual rates	...		...	...	...	237	...	237
Lapses	...	...	-77	-2,902	-45	-1,628	32	1,274
Net savings due to lower pay scales for part of year	...	-524	...	-407	...	...	...	407
Net, full-time permanent	1,103	40,667	1,025	44,849	1,053	48,842	28	3,993

General Administration

Salaries and Expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	1989 Actual		1990 Estimate		1991 Request		Increase/Decrease	
	Pos. & Wys.	Amount	Pos. & Wys.	Amount	Pos. & Wys.	Amount	Pos. & Wys.	Amount
Other than permanent:								
Part-time permanent	61	$1,861	57	$1,601	59	$1,790	2	$189
Temporary employment	37	688	23	641	23	685	...	44
Other part-time and intermittent employment	25	714	23	669	23	715	...	46
Other personnel compensation (Overtime)	23	1,016	10	948	10	912	...	-36
Special personal services payments	...	35	...	1	...	1	...	...
Total, workyears and personnel compensation	1,251	44,981	1,138	48,709	1,168	52,945	30	4,236
Average ES Salary		($75,042)		($75,496)		($78,200)		
Average GS/GM Salary		($37,700)		($40,447)		($41,900)		
Average GS/GM Grade		(12.3)		(12.5)		(12.6)		

General Administration

Salaries and Expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1989 Actual Workyears	1989 Actual Amount	1990 Estimate Workyears	1990 Estimate Amount	1991 Request Workyears	1991 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1 Full-time permanent	1,105	$40,667	1,025	$44,849	1,053	$48,673	28	$3,824
11.3 Other than full-time permanent	123	3,263	103	2,911	105	3,190	2	279
11.5 Other personnel compensation	23	1,016	10	948	10	912	...	-36
11.8 Special personal services payments	...	35	...	1	...	1	...	...
Total, workyears and personnel compensation	1,251	44,981	1,138	48,709	1,168	52,776	30	4,067
12.0 Personnel benefits		6,840		7,324		8,666		1,347
13.0 Benefits for former personnel		20		...		...		...
21.0 Travel and transportation of persons		1,830		2,226		2,383		157
22.0 Transportation of things		334		369		406		37
23.1 GSA rent		10,356		11,587		12,121		534
23.3 Communications, utilities, and other miscellaneous charges		4,123		4,411		4,308		-103
24.0 Printing and reproduction		318		369		405		36
25.0 Other services		13,071		18,208		16,648		-1,560
26.0 Supplies and materials		2,412		2,268		2,323		55
31.0 Equipment		1,001		969		1,015		46
42.0 Insurance claims and indemnities		...		10		10		...
Total obligations		85,286		96,454		101,061		4,607
Unobligated balance available, start-of-year		-137		-4		...		4
Unobligated balance available, end of year		4		...		...		...
Recovery of prior year obligations		-28		...		...		...
Unobligated balance lapsing		436		...		...		...
Total requirements		85,561		96,450		101,061		4,611

Relation of obligations to outlays:

	1989 Actual Amount	1990 Estimate Amount	1991 Request Amount
Total obligations	85,286	96,454	101,061
Obligated balance, start-of-year	18,973	18,485	11,954
Obligated balance, end-of-year	-18,485	-11,954	-10,510
Adjustments in expired accounts	787	...	...
Adjustments in unexpired accounts	-28	...	...
Outlays	86,533	102,985	102,505

NOTE: Difference in object class distribution from those show in the 1991 President's budget results from more accurate 1990 projections that were developed since original estimates were entered into the OMB Budget Preparation System.

General Administration

Salaries and Expenses

Consulting and Related Services

(Dollars in thousands)

	1989 Actual	1990 Estimate	1991 Estimate
Consulting Services	$ 201	$ 58	$ 208
Management and Professional Services	1,846	2,300	2,300
Special Studies and Analysis	...	...	...
Total	2,047	$2,358	$2,508

Consulting and related services are used in the General Administration only for services which cannot be performed in-house. Services are required for interpreter, reporting, transcription, administrative and technical purposes. In 1991, the Justice Management Division is requesting a program increase of $150,000 for contractual services for development of a productivity improvement training and awareness program for Department managers.

Department Leadership

Salaries and Expenses

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1990 as enacted	56	58	$6,016
1990 Sequester	...	...	-78
1990 appropriation adjusted	56	58	5,938
Transfer to Executive Support to meet workload requirements in Legislative Affairs	-10	-10	-459
Mandatory increases:			
Additional compensable day	...	...	26
1990 Full-year pay increase impact on 1991	...	...	243
1991 Pay increase	...	...	176
Senior Executive Service salary increase	...	...	73
Health benefits	...	...	44
GSA rent	...	...	36
GPO printing	...	...	13
Distributed administrative support	...	...	16
Total Mandatory increases	...	...	627
Decreases:			
Federal Telecommunications System (FTS)	...	...	-20
1991 base	46	48	6,086

	1989 Enacted			1989 Actual			1990 Appropriation			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by program	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Program Direction and Policy Coordination:																		
Department Leadership:	56	58	$5,323	56	59	$5,366	56	5	$5,938	46	48	$6,086	46	48	$5,878	...	...	-$208

Department Leadership

Salaries and Expenses, General Administration

Justification of Program and Performance

Activity Resource Summary

(Dollars in thousands)

	1990 Appropriation			1991 Base			1991 Estimate			Increase/Decrease		
Department Leadership:	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Attorney General..........	20	21	$2,857	22	23	$3,888	22	23	$3,745	...	...	-$143
Deputy Attorney General...	24	25	1,798	24	25	2,198	24	25	2,133	...	...	-65
Associate Attorney General	12	12	1,283	...	...	...	...	...	...	...	...	...
Total....................	56	58	5,938	46	48	6,086	46	48	5,878	...	...	-208

Long Range Goal: To develop appropriate policies regarding the administration of justice in the United States; to represent the United States effectively justice-related matters; and to provide advice and opinions of legal matters to the President, and heads of Executive departments and agencies.

Major Objectives:

- To formulate and implement major Departmental policies and programs.
- To provide overall supervision and direction to the organizational units of the Department of Justice.
- To coordinate criminal justice matters with Fedpral, state and local law enforcement and criminal justice agencies.
- To maintain and supervise the Attorney General's Honor Law Graduate and Attorney Employment programs.
- To prepare and disseminate an Annual Report to the Congress and the public regarding the current status of efforts against organized crime drug enforcement.
- To investigate, process and make recommendations to the President on all prospective candidates for judicial and Justice Department Presidential appointments.

Base Program Description: The Attorney General is responsible primarily for developing and implementing the policy objectives of the Department and for overseeing the Department's programs and resources. He is supported by staff members who coordinate various program activities to ensure consistency with current Department guidelines and policies. Staff members also serve as liaison between Department organizations and the Attorney General when matters of importance require his direct involvement. The Attorney General keeps the public informed of Department activities by appearing before a wide range of citizens' groups and professional associations. He also meets regularly with the President and members of the White House staff, other Federal agency officials, and members of the Congress on Department policy and program matters.

In supporting the policies of the Attorney General, the Deputy Attorney General provides testimony before Congressional committees on legislation affecting the Department and acts as the Department's liaison with the White House staff and the Executive Office of the President. In addition, the Deputy Attorney General exercises the power and authority invested in the Attorney General, to take final action in matters pertaining to: employment, separation and general administration of personnel in the Senior Executive Services and of attorneys. The Deputy Attorney General oversees the Attorney General's employment program for Honor Law Graduates and Judicial Law Clerks. In the Attorney General's absence, the Deputy Attorney General serves as the acting official for the Department.

The Deputy Attorney General is also responsible for assisting the Attorney General in formulating and implementing Departmental policies and programs pertaining to criminal and civil matters, providing overall guidance and direction to the Bureau of Prisons, the U.S. Marshals Service, and INTERPOL; and overseeing criminal justice, pardon, parole and community relations issues. The Deputy Attorney General also provides guidance and direction on antitrust, civil rights, foreign claims, environmental, tax and bankruptcy matters. The aforementioned responsibilities were previously carried out by the Associate Attorney General. In 1991, the Office of the Associate Attorney General function will be abolished.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Attorney General	22	23	$3,888	22	23	$3,745	...	...	-$143
Deputy Attorney General	24	25	2,198	24	25	2,133	...	...	-65
Associate Attorney General	...	...	...	...	...	...	...	...	...
Total	46	48	6,086	46	48	5,878	...	...	-208

Program decreases totaling $208,000 are requested in support of the Administration's efforts to reduce spending.

Executive Support
Salaries and Expenses
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1990 as enacted	67	74	$7,368
1990 Sequester	...	...	-94
1990 appropriation adjusted	67	74	7,274
Transfer from Department Leadership to meet workload requirements in Legislative Affairs	10	10	439
Mandatory increases:			
Additional compensable day	...	...	19
1990 Full-year pay increase impact on 1991	...	...	209
1991 pay increase	...	...	71
Senior Executive Service salary increase	...	...	135
Health benefits	...	...	59
GSA rent	...	...	30
Employee data and payroll services	...	...	2
Distribution administrative support	...	...	2
Total mandatory increases	...	...	547
Decreases:			
Federal Telecommunications System (FTS)	...	...	-33
1991 base	77	84	8,245

Estimates by program	1989 Enacted Perm. Pos.	1989 Enacted WY	1989 Enacted Amount	1989 Actual Perm. Pos.	1989 Actual WY	1989 Actual Amount	1990 Appropriation Perm. Pos.	1990 Appropriation WY	1990 Appropriation Amount	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
1. Program Direction and Policy Coordination: Executive Support:	71	78	$6,760	71	82	$6,038	67	74	$7,274	77	84	$8,245	77	84	$7,959	...	...	-$286
Reimbursable workyears		27			37			27			27			27			...	
Total ceiling		105			119			101			111			111			...	

Executive Support
Salaries and Expenses, General Administration
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

	1990 Appropriation			1991 Base			1991 Estimate			Increase/Decrease		
Executive Support:	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Office of Policy Develop......	31	34	$2,916	31	34	$3,091	31	34	$2,986	...	...	-$105
Office of Pub. Affairs........	11	12	1,728	11	12	1,769	11	12	1,706	...	...	63
Office of Legis. Affairs......	18	21	1,934	28	31	2,629	28	31	2,536	...	...	-93
Office of Liaison Services....	7	7	696	7	7	731	7	7	756	...	...	-25
Total......................	67	74	7,274	77	84	8,245	77	84	7,959	...	...	-286

Long Range Goal: To initiate, develop and coordinate major policy initiatives of high priority to the Department and to the Administration in the areas of civil and criminal justice; to ensure that the Department operates most effectively with the Congress and the Office of Management and Budget to advance its legislative goals; to improve coordination with State and local governments and the business community on regulatory and legislative issues of importance to the Department; and to inform Department personnel, the media and the public of Department activities expeditiously and accurately and to counsel the Attorney General and other Department officials in their dealings with the media.

Major Objectives:

- To develop a more coherent process for determining legislative policy.
- To coordinate joint Department efforts to secure enactment of legislation and other policy proposals of special interest to the Department and the Administration on selected issues.
- To coordinate policy development and encourage consistent implementation of the Freedom of Information Act responsibility within the Executive Branch, and to oversee and supervise the disposition of appeals to denials of information requested from the Department under the Freedom of Information and Privacy Acts.
- To represent the Department on the Administrative Conference of the United States, and where appropriate, to represent the Department on regulatory reform matters.
- To inform the Attorney General, Department officials, and rank and file personnel of the Department regarding statements about the Department in the daily and periodical press and the broadcasting media.
- To promote staff support for the Attorney General on matters under consideration by the Cabinet and National Security Council.
- To coordinate appropriate public policy announcements with the White House, other Federal Departments and Agencies, the media, and the public.
- To coordinate and facilitate the flow of information relating to DOJ policies applicable to Departmental intergovernmental relations.
- To maintain a steady flow of information between the Department of Justice and the following principal points of liaison: state and local government entities; Federal, State, and local judicial conferences and judicial administrative bodies; foreign law enforcement ministers and judiciaries; national and international associations and societies of the law enforcement professions; and academic institutions with substantive interests in justice fields.
- To provide public affairs services, as appropriate, for domestic and international travel, public appearances, and Departmental ceremonies for the Attorney General and other senior officials.

- To coordinate with Federal, State, and local officials on law enforcement and legal issues relating to program, regulatory, and legislative reform.

Base Program Description: Executive Support consists of the Offices of Policy Development, Public Affairs, Legislative Affairs, and Liaison Services.

The Office of Policy Development (OPD) serves as the Attorney General's principal policy development staff, and is involved in a wide range of issues central to the Department's mission. OPD performs a high-level coordination role within the Department, including the necessary legal research and policy analysis to support major Department initiatives. OPD assists the Attorney General in settling disputes among the divisions and components, as well as developing policy initiatives and options for action by the Attorney General in specific subject areas. The Office coordinates with other agencies in the development of Administration positions, and works closely with other offices and divisions in the Department in reviewing pending legislative proposals, and in providing comments on selected pending litigation.

The Office of Public Affairs (PAO) is the principal point of contact for the Department of Justice with the public and the news media. Its mission is twofold: (1) to inform the public about Department of Justice activities and developments, and (2) to provide similar information internally to Department personnel. The staff coordinates the public affairs effort of all Department organizations and maintains close liaison with their top executives as well as media representatives. The Office of Public Affairs disseminates information about the Department of Justice through the news media and by personal contact with the public. The office also prepares concise reports of sensitive issues for the Attorney General for major meetings with the news media.

The Office of Legislative Affairs (OLA) is responsibile for developing, and articulating and coordinating the Department's official policies with respect to legislation initiated inside the Department, by other parts of the Executive Branch, or by members of Congress. The Office prepares legislative reports on bills each year for submission to the Office of Management and Budget or to Congressional committees. OLA is responsible for coordinating and assisting all federal judicial nominees, U.S. Attorneys, U.S. Marshals and all Presidential nominees for Department positions that require confirmation through the Senate confirmation process. Finally, the Office analyzes enrolled bills which are sent to the Department for review prior to submission to the President for his signature or veto.

The Office of Liaison Services (OLS) is responsible for maintaining liaison and representing the Attorney General and the Department in dealings with foreign, Federal, State and local governments, and with nongovernmental organizations interested in the justice field. OLS provides these governments and organizations with a central point of communication with the Department.

Accomplishments and Workload: Accomplishments of the **Office of Policy Development** during 1989 include:

- Undertook extensive work on court reform projects, including the Judicial Improvements and Access to Justice Act. Supported enactment of the Supreme Court Mandatory Jurisdiction Act, eliminating technical requirements from the Supreme Court's jurisdiction to give the Court greater discretion in controlling its docket.

- Produced a major policy paper, *Using and Misusing Legislative History: A Re-evaluation of the Status of Legislative History in Statutory Construction*.

- Exerted substantial effort during the year to secure passage of the Anti-Drug Abuse Act. In addition, the "Truth in Criminal Justice Project" identified and analyzed features of contemporary criminal procedure that unduly hinder the search for truth. This project provided analyses of the law of federal habeas corpus review of state court judgements, adverse_inferences from a defendant's failure to testify, and criminal pretrial discovery.

During the 100th Congress, the Office of Legislative Affairs' significant accomplishments included:

- Enactment of a number of key Administration-sponsored law enforcement initiatives, many of which were ultimately incorporated into the Anti-Drug Abuse Act of 1988.

- Enactment of the Federal Employees Liability Reform and Tort Compensation Act of 1988, which provides that suits against the United States under the Federal Tort Claims Act shall be the exclusive remedy for ordinary torts committed by federal government employees acting within the scope of their employment.

- Enactment of legislation to toughen the enforcement of the Fair Housing provisions of Title VIII by the Department of Housing and Urban Development. The legislation makes it unlawful to discriminate in providing housing on the basis of race, color, religion, sex, handicap, familiar status or national origin.

- Enactment of the Major Frauds Act of 1988, which provides federal prosecutors with a significantly enhanced mechanism for rooting out and prosecuting procurement fraud against the United States government in contracts of $1 million or greater.

The Office of Legislative Affairs responded to approximately 10,000 telephone inquiries and over 10,000 letters from the Congress, as well as over 3,000 requests for comments from Congressional Committees and the Office of Management and Budget. The Office coordinated the testimony of 480 Department witnesses at 326 congressional hearings, provided supplemental materials for the record in 240 instances, and monitored an additional 146 hearings or markup sessions of importance to the Department.

In addition, the Office handled the confirmation of 152 nominations. The federal judiciary gained 87 new judges and the Department filled 65 non-judicial appointments, including 18 Washington-based Justice Department Officials, 26 United States Attorneys, and 21 United States Marshals. One of the new judges was confirmed to a seat on the Supreme Court of the United States, 17 assumed positions in the U.S. Courts of Appeals, 67 were appointed to U.S. District Courts, one joined the U.S. Claims Court, and one was admitted to the U.S. Court of International Trade.

Accomplishments of the Office of Public Affairs include:

- Coordinated trips and numerous public appearances by the Attorney General including his visit to several nations to confer on narcotics, refugee resettlement and international terrorism.
- Communicated the policy and goals in the drug enforcement and organized crime efforts administerd by the Department.
- Answered approximately 30,000 telephone and 1,000 mail requests for information.
- Provided editors of papers throughout the nation with detailed information packets on complex legal issues of bail reform, drug enforcement, civil rights, immigration, and constitutional issues.

Accomplishments of the Office of Liaison Services during 1989 include:

- Coordinated visits and exchanges with legal, law enforcement, and judicial officials from the People's Republic of China; and the Republic of China (Taiwan).

- Developed a dialogue and information sharing with legitimate biomedical researchers and others concerned about terrorism. In addition, initiated DOJ dialogue with the American Medical Association on adolescent health, drug abuse and drug trafficking, and other issues.

- Negotiations, in furtherance of the DOJ's initiative on Undetectable Firearms Legislation, with law enforcement advocacy groups and other federal agencies.

- Establishment of the National Calendar of Events of Interest to the Justice Community.

Program Changes:	1991 Base			1991 Estimate			1990 Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Office of Policy Develop...	31	34	$3,091	31	34	$2,986	...	...	-$105
Office of Pub. Affairs.....	11	12	1,769	11	12	1,706	...	...	-63
Office of Legis. Affairs...	28	31	2,629	28	31	2,536	...	...	-93
Office of Liaison Services.	7	7	756	7	7	731	...	...	-25
Total.....................	77	84	8,245	77	84	7,959	...	...	-286

Program decreases totaling $286,000 are requested in support of the Administration's efforts to reduce spending.

Intelligence Policy and Professional Review

Salaries and Expenses

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1990 as enacted	22	22	$2,222
1990 Sequester	...	...	-28
1990 appropriation adjusted	22	22	2,194
Mandatory increases:			
Additional compensable day	...	...	11
1990 Full-year pay increase impact on 1991	...	...	112
1991 pay increase	...	...	51
Senior Executive Service salary increase	...	...	53
Health benefits	...	...	4
GSA rent	...	...	16
Total mandatory increases	...	...	247
Decreases:			
Federal Telecommunications System (FTS)	...	...	-12
1991 base	22	22	2,429

Estimates by program	1989 Enacted			1989 Actual			1990 Appropriation			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Program Direction and Policy Coordination:																		
Intelligence Policy and and Professional Review	22	22	$2,095	22	23	$1,907	22	22	$2,194	22	22	$2,429	22	22	$2,349	...	...	-$80

Intelligence Policy and Professional Review
Salaries and Expenses, General Administration
Justification for Program and Performance
Activity Resource Summary
(Dollars in thousands)

Intelligence Policy and Professional Review	1990 Appropriation			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence Policy & Review	14	14	$1,231	14	14	$1,319	14	14	$1,275	...	...	-$44
Professional Responsibility	8	8	963	8	8	1,110	8	8	1,074	...	...	-36
Total	22	22	2,194	22	22	2,429	22	22	2,349	...	...	-80

Long Range Goal: To assist the Attorney General in strengthening the integrity of and maintaining public confidence in the Department of Justice, and in fostering and further developing among all Department employees a commitment to the highest professional standards. Also, to assist the development of national security related policies and maintain confidence in the lawfulness of United States intelligence activities, consistent with the need of the United States to obtain, produce, and disseminate foreign intelligence information, and the need for effective counter-intelligence.

Major Objectives:

To provide legal advice concerning intelligence and national security matters to the Attorney General and to the executive branch of the government.

To participate in the development of legal aspects of national security and intelligence policy.

To prepare FBI and other applications for intelligence searches and surveillance and approve other counterintelligence investigative activities.

To represent intelligence agencies as legal counsel before the United States Foreign Intelligence Surveillance Court.

To participate in pre-trial litigation involving the Foreign Intelligence Surveillance Act in criminal prosecutions for espionage and international terrorism.

To maintain liaison with the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence to ensure they are apprised of Departmental views on national security and intelligence policy and are appropriately informed regarding operational intelligence and counterintelligence activities.

To implement the changes mandated by the Inspector General Act Amendments of 1988 which will require OPR to assume a more direct role in investigations of misconduct in the Department's components.

To improve and refine the Department-wide reporting system in which allegations of criminal or administrative misconduct against Department employees are reported, investigated and monitored.

To establish a comprehensive, efficient and effective internal inspection system throughout the Department by periodically evaluating organizations and programs involved with employee integrity.

To conduct, oversee and coordinate all internal investigations of serious allegations concerning the conduct of Department employees that may be in violation of law, Department regulations or orders, or applicable standards of conduct.

To ensure the effective operation of a program which facilitates the reporting of allegations of fraud, mismanagement and waste of funds.

Base Program Description: The Office of Intelligence Policy and Review (OIPR) participates directly in the interpretation and application of national intelligence law and national security policy as the Department's representative to the National Intelligence Council. It also participates through regular meetings and consultation with senior staff of the National Security Council in considering significant operational aspects of intelligence and counterintelligence activities and through participation in ad hoc resolution of intelligence and national security questions. OIPR reviews Federal Bureau of Investigation (FBI) and other agency requests that the Attorney General approve applications for electronic surveillance. Other intelligence and counterintelligence activities are also reviewed by OIPR. Based on the findings of legal sufficiency and compliance with applicable guidelines and directives, recommendations are made to the Attorney General to approve or disapprove these requests.

Guided by the Office of Professional Responsibility (OPR), the Attorney General issues an annual statement to all employees of the Department reminding them of their responsibility to report misconduct encountered in the course of their duties. Efforts are also taken to ensure that all employees are reminded of the "whistle-blower" protections contained in the Civil Service Reform Act and Departmental regulations. OPR conducts investigations involving attorneys or senior Department officials against whom allegations of misconduct have been made. OPR serves as direct Office liaison with internal inspection units in the Department to oversee and coordinate all internal investigations of allegations concerning the conduct of Department employees. In addition, the Office engages in a number of additional activities directed toward maintaining the high standards of professional conduct expected of Department employees. Also, the Office and its Counsel serve as a special adviser to the Attorney General and the Deputy Attorney General in regard to integrity and other matters in the Department.

Accomplishment: The principal accomplishments of the OIPR in the policy area during the past year have included participation in the new Administration's total review of covert actions world-wide. Final negotiations on revised procedures for bi-lateral treaties involving science and technology were completed with substantial assistance from OIPR which also assisted in the negotiation of one of the treaties. Also, the Office participated in efforts to enhance the Government's capabilities to protect against foreign intelligence collection in the United States, international terrorism, illegal technology transfer and international narcotics activities. The Office chairs the Department Review Committee setting policy on classification and declassification of documents. It has issued legal and policy advice to a number of departments and agencies on national security topics both in broad-range and on specific intelligence operations.

Concomitant with electronic surveillance matters, OIPR has handled a proportional increase in other operational intelligence activities which require staff and field review on behalf of the Attorney General. This includes counterintelligence investigations, undercover activities and other highly sensitive matters. Similarly, a program has been instituted to monitor FBI implementation of Domestic Security investigations under guidelines promulgated by former Attorney General William French Smith. On request of the FBI Director, review of the counterintelligence guidelines, involving significant revisions is underway.

The Office of Professional Responsibility continues to conduct or oversee an increasing number of investigations involving attorneys or senior Department officials against whom allegations of misconduct have been made. Most of these cases are highly sensitive and some involve matters of national significance. In addition, the Office's attorneys serve as direct Office liaison with internal inspection units in the Department to oversee and coordinate all internal investigations of allegations concerning the conduct of Department employees. In addition, OPR continued its program which facilitates the reporting, investigation, and resolution of allegations of fraud, mismanagement, and waste of funds.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence Policy & Review	14	14	$1,319	14	14	$1,275	...	...	-$44
Professional Responsibility	8	8	1,110	8	8	1,074	...	...	-36
Total	22	22	2,429	22	22	2,349	...	...	-80

Program decreases totaling $80,000 are requested in support of the Administration's efforts to reduced spending.

Justice Management Division

Salaries and Expenses, General Administration

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1990 as enacted	422	439	$44,795
1990 Sequester	...	...	-573
1990 appropriation adjusted	422	439	$44,222
Mandatory increases:			
Annualization of 1990 positions	...	8	329
Additional compensable day	...	...	98
1990 Full-year pay increase impact on 1991	...	...	945
1991 pay increase	...	...	308
Senior Executive Service salary increase	...	...	217
Special salary rates	...	...	38
Health benefits	...	...	179
GSA rent	...	...	282
GPO printing	...	...	6
Employee data and payroll services	...	...	12
National Security Emergency Preparedness	...	...	172
Total mandatory increases	...	8	2,586
Decreases:			
Federal Telecommunications System (FTS)	...	...	-130
1991 base	422	447	46,678

	1989 Enacted			1989 Actual			1990 Appropriation			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by program	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Program Direction and Policy Coordination:																		
Justice Management Division	477	544	$40,892	477	588	$41,767	422	439	$44,222	422	447	$46,678	418	441	$45,535	-4	-6	-$1,143
Reimbursable workyears		29			29			12			17			17			...	
Total ceiling		573			626			451			464			458			-6	
Overtime		12			23			10			10			10			...	
Total compensable workyears		585			649			461			464			468			-6	

Salaries and Expenses, General Administration
Justification of Program and Performance
Justice Management Division
(Dollars in thousands)

	1990 Appropriation			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Justice Management Division............	422	439	$44,222	422	447	$46,678	418	441	$45,535	-4	-6	-$1,143

Long-Range Goal: To ensure that the management initiatives of the President, the Attorney General and the Congress are implemented soundly and responsibly and that administrative support services are delivered efficiently and effectively. This decision unit includes the the Debt Collection Management function (which coordinates the Debt Collection Private Counsel initiative mandated by the Debt Recovery Act of 1986).

Major Objectives:

- To ensure that Department management activities are provided central direction and control.
- To serve as the principal point of contact, as appropriate, with various federal agencies, including the Office of Management and Budget (OMB), the Office of Personnel Management (OPM), the General Services Administration (GSA), the General Accounting Office (GAO), and the authorization and appropriation committees of Congress in conjunction with the Office of Legislative Affairs.
- To provide legal support and legislative advice in administrative/management areas.
- To provide for the security, safety and health of Departmental personnel, and safeguard property and information; ensure a high degree of responsiveness to the continuity of government during peacetime and wartime national emergencies.
- To ensure that all National Security Information used by all Independent Counsel is protected as mandated by Executive Order 12356 and the regulations for Sensitive Compartmented Information, to include physical and personnel security.
- To provide Department-wide direction and staff leadership for the development and implementation of Equal Employment Opportunity (EEO) policy as well as improved methods and procedures.
- To ensure the development of adequate policies and procedures on a Department-wide basis for all procurement matters, and to administer a highly visible and aggressive competition advocacy program which institutionalizes the principal goals of the Competition In Contracting Act (CICA) and related statutes.
- To ensure that personnel management responsibilities throughout the Department are carried out in accordance with the applicable laws, Executive Orders, rules, regulations and policies.

- To establish Departmental policy, standards, and directives covering motor vehicle management operations and employ state-of-art technologies and other management improvements to lower operating costs and improve control over the Department's employee transportation and parking allocation programs.

- To develop the Department's projected housing requirements for GSA and Department of Justice (DOJ) controlled space and related cost estimates, as required by GSA and OMB.

- To represent the Department in financial matters with the Department of Treasury, OMB, GAO, the Joint Financial Management Improvement Program, and other government agencies.

- To design, develop and implement standards and systems for measuring productivity in Department of Justice programs and operations.

- To implement and coordinate the provisions of the Debt Recovery Act of 1986 which requires the use of Private Counsel for Debt Collection.

- To maintain a central intake facility that centralizes control of debts sent to the Department for litigation and provide the required audit and internal controls over the debt collection process

Base Program Description: The Assistant Attorney General for Administration (AAG/A) provides direct supervision for areas of management responsibility within the Justice Management Division (JMD). These areas provide legal counsel, equal employment opportunity, security programs of the Department, and a knowledge of the legal, regulatory and policy framework governing information processing.

Information and Administrative Services activities include personnel and property management; professional systems analyses, identification/validation of Department-wide information and communications requirements, and review of Departmental data processing budget forecasts; management and oversight of all Departmental buildings and space assignments.

Budget, Procurement, and Financial Services activities include comprehensive analyses of Department budget estimates, appropriation and authorization requests; and operation and review of financial accounting systems; review and processing of procurement actions.

Debt Collection Management activities include controlling and improving the litigation required to collect delinquent debts owed to the United States, and implementation and oversight of the pilot project contract with private counsel to assist the U.S. Attorneys in the collection of debts owed to the United States in ten Judicial Districts.

Other significant activities include:

Legal and legislative advice on all administrative and management matters development, administration, and evaluation of Department regulations and procedures for processing requests under the FOIA/PA and the Ethics in Government Act.

Development and implementation of Departmental security programs and emergency preparedness policies.

Oversight of the Department's EEO program.

Formulation, implementation and review of Departmental procurement policy and oversight of the Department's procurement system.

Development of Department-wide policies, plans and procedures for management and productivity improvement.

Formulation and promulgation of Department-wide policies, standards and procedures for the management of automated information processing resources. Conduct of long-range planning for Departmental use of automated information processing and communications systems resources.

Accomplishments and Workload:

Provided extensive security services to the Iran/Contra Independent Counsel (I/CIC) Investigation. Conducted Sensitive Compartmented Information (SCI) briefings and granted approximately 95 security clearances for the I/CIC, its staff, and defense counsel; assisted in the planning and construction of a five suite, 14,000 square foot, SCI Facility. Initiated over 200 background investigations; and protected over one million pages of National Security Information (NSI).

Actively participated in over 29 Classified Information Procedures Act (CIPA) cases and five civil cases involving NSI which required designating a Court Security Officer who provided physical, personnel and document security advice to U.S. District Court Judges. Provided storage and custodial services for sensitive NSI involved in all of these cases.

Developed a centralized computer based Accident and Injury Management Information System for the Department, enabling Department components to: identify the primary causes of occupational injuries; identify claimants who are not employees of the Department; and possess better control of compensation costs.

Developed an exhaustive treatise on Basic Considerations in Investigating Computer-Related Federal Crimes to assist Federal investigators and prosecutors in dealing with this increasing area of relatively new criminal activity.

Coordinated the Department's implementation of the Computer Security Act of 1987, in response to OMB Bulletin 88-16, entitled "Guidance for Preparation and Submission of Security Plan for Federal Computer Systems containing Sensitive Information." Also, conducted the Information Resources Management Review Program as required by the Paperwork Reduction Reauthorization Act of 1986.

As of January 1990, contracts had been awarded to private counsel in nine pilot judicial districts: Detroit, Michigan; Brooklyn, New York; Houston, Texas; Miami, Florida; Los Angeles, California; District of columbia; Newark, New Jersey; Shreveport, Louisiana; and Tampa, Florida.

Installed the Automated Debt Collection System "COLLECTOR" in the U.S. Attorneys' Offices and private law firms in Detroit, Brooklyn, Hourton, Miami, and Los Angeles.

In conjunction with "COLLECTOR," operated a Central Intake Facility (CIF) to receive and screen referrals of debts from Federal agencies and send final demand letters before cases are forwarded for litigation. The CIF also serves as a clearinghouse for information about debt collection activities conducted by the Department pursuant to its responsibilities under the Federal Debt Recovery Act.

Evaluated bids from private counsel in the tenth pilot judicial district (San Francisco, California) for award during 1990.

- Developed an audio/visual library of tapes and cassettes concerning a variety of subjects relevant to Employee Assistance Program, (e.g. women and stress, substance abuse, Employee Assistance Program as a Management Resource).

- Prepared the Attorney General's annual competition advocacy report to each House of Congress, as required by CICA.

- Established Department policy and guidance on Acquired Immune Deficiency Syndrome (AIDS) in the Workplace and implemented a Department-wide AIDS education and training program, including employee briefings and training for supervisors and managers on their role in managing employees who are Human Immunodeficiency Virus-infected.

- Prepared numerous and varied assessments of Anti-drug legislation proposed by Congress. Also, prepared special reports on the following topics: Detention/Incarceration costs; AIDS in the Federal Prison System; DNA Fingerprint Identification; Cuban Migration to the United States; and the United States Refugee Program.

- Completed an automated tracking system for existing contracts that allows the expiration dates of contracts to be closely monitored. This provides a safeguard against lapsed contracts and permits us to negotiate and award replacement contracts within realistic time frames.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Justice Management Division.........	422	477	$46,678	418	441	$45,535	-4	-6	-$1,143

An increase of five positions, three workyears and $580,000 are requested for the Justice Management Division. The increase will assist the Justice Management Division (JMD) in accomplishing its requirements in this critical area of responsibility. Specifically, resources are requested to support the following initiatives:

- Three positions, two workyears and $139,000 are requested to support the Office of General Counsel's Ethics and Program Fraud functions;

- Two positions, one workyear and $291,000 are requested to address workload requirements associated with the review of the Department's Equal Employment Opportunity (EEO) complaints;

- Contractual resources of $150,000 are requested to support the Management and Planning Staff's development of a productivity improvement training and awareness program for Department managers.

Program decreases of nine positions and workyears and $1,723,000 are also requested. A reduction of four positions and $129,000 is associated with savings resulting from greater use of private contractors for services. In addition, a further program reduction of five positions and $1,396,000 is requested in support of Administration efforts to reduce spending.

Facilities Program 2000

Salaries and Expenses, General Administration

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1990 as requested	...	...	...
Mandatory increases	...	...	...
1991 base	...	...	...

Estimates by Program:	1989 Enacted			1989 Actual			1990 Appropriation			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Facilities Program 2000	...	...	...	...	...	...	...	...	...	...	...	$970	...	...	$970	...	...	$970

Facilities Program 2000
Salaries and Expenses, General Administration
Justification of Program and Performance
Activity Resource Summary
(Dollars in Thousand)

Long Range Goal: To consolidate the major Washington area components of the Department into three new buildings: the new International Cultural and Trade Center/Federal Office Building (ICTC/FOB) to be located in the Federal Triangle; a portion of the Ariel Rios Building (ARB) on Pennsylvania Avenue; a newly acquired leased building within 6 blocks of the MAIN Justice Building (MAIN); and to renovate MAIN and the Home Owners Loan Corporation building (HOLC) to provide adequate heating, air conditioning, ventilation, electrical power, and emergency electrical service.

Major Objectives:

- Consolidate approximately 19 Departmental components within the ICTC/FOB, the ARB, and a newly leased facility.
- Replace inadequate utility systems in MAIN and HOLC while ensuring uninterrupted use of the buildings, and continuous operations of vital Departmental functions.
- Provide the engineering and technical services necessary to insure proper design of the ICTC/FOB, ARB reconfiguration, and the new leased facility.
- Provide for the special construction necessary to the Department's occupancy of each of the five major new facilities and renovations, such a computer rooms, structurally altered space, and libraries.
- Provide for the systems furnishings, telecommunications, and security necessary for the new facilities, HOLC and MAIN renovations.

Base Program Description: This project consists of five elements: the buildout of space in the ICTC/FOB, ARB, a major newly leased facility; and renovations of MAIN and HOLC. The elements are inseparable because of the necessity to maintain operations throughout the construction. It also will minimize costs through the use of space vacated by some Department functions as temporary "swing" space during the renovations of MAIN and HOLC. The Department of Justice is currently housed in over 30 locations in the Washington area. The construction and occupancy of the three new buildings provides an opportunity to dramatically reduce this fragmentation by consolidating and releasing 17 of these locations and thereby increase operational integrity and productivity. Department components from most of these locations will partially or fully consolidate in these new buildings. Savings, directly accrued by the Department though not quantified, will result from reduced lease costs due to more efficient design and improved utilization of space, improved working conditions, lower operational and administrative costs, and increased productivity due to allocation of elements.

The construction of the ICTC/FOB will be under the overall guidance of the Pennsylvania Avenue Development Corporation and the General Services Administration (GSA). The projected occupancy date of the building is September 1996. The ARB is a Government-owned building and its reconfiguration for the Department's needs will be under the overall control of GSA. The projected occupancy of the ARB is June 1996. The new leased facility will be constructed under the guidance of GSA. Its projected occupancy is October 1993. The Department's responsibilities for all three of these facilities include the provision of a design requirements program; computer network, security, and the telecommunications design and installation; move and occupancy planning, and systems furniture planning and acquisition.

The renovations of MAIN and HOLC are in response to the following needs: improvement of the environmental conditions; provision of additional cooling capacity for increasing computer electronic loads; removal of asbestos hazards; provision of concealed wireways for telecommunications and computer network systems; and replacement and upgrading of the electrical power distrubution systems and office lighting.

Among the specific elements of the MAIN renovation that will be accomplished are the installation of a cooling tower, replacing the building's reliance for cooling water from the Tidal Basin; replacement of the building's boiler and chillers; replacement of the heating/cooling units in all of the offices; repair of all windows to operating condition; and replacement of power distribution panels in electric closets.

The MAIN renovation is currently estimated to cost approximately $84 million. These costs have been identified to GSA and are incorporated in a prospectus study being submitted for Congressional approval and funding. The present schedule calls for construction to begin in mid 1993 and be complete in 1999. Move-in would be complete in 1999. During the construction, approximately one half of the occupants of MAIN would be relocated. The planning for the ICTC/FOB, ARB, and the new leased facility take into aeccount this temporary relocation.

The total estimated cost (including base building construction and the MAIN and HOLC renovation construction costs) for all elements of this program (ICTC/FOB, ARB, the new leased facility, and MAIN and HOLC renovations) is $330 million to $375 million. This is the total cost to the government. The estimate of the Department's share of these costs, over a ten year period, is $70 million. This amount is subject to negotiations with the GSA.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Facilities Program 2000	...	...	...	...	...	$970	...	...	$970

A total increase of $970,000 in "no-year funds" is requested for the Facilities Program 2000 to provide resources to begin space requirements reprogramming, prospectus development, and design intent documentation for the project.

On June 24, 1989, the Attorney General identified the major facility acquisition requirements for the Department of Justice to the Administrator of General Services. These are the five key elements of the Facilities Program 2000: 350,000 s.f. in the ICTC/FOB, 280,000 s.f. in the ARB, 300,000 to 400,000 s.f. in a new leased facility, and the renovations of MAIN and HOLC. The Administrator accepted these requirements on July 28, 1989. The schedules for each of these major elements requires beginning the Department's planning and contractual obligations in the first quarter of FY 1990.

The requested funding would be used to develop the Department's "Requirements Program" which identify offices to be relocated, their personnel and equipment needs, and any special functional requirements. Additionally, the funding would provide the contract architectural and engineering support needed to begin the "Concept Design" showing office layouts, equipment location, furniture placement, and finishes. This will be needed by the lessors in order to begin the construction drawings. Preliminary engineering for the specialized security systems will also be accomplished. These engineering activities are crucial to the design/construction process and must be accomplished without delay if the Department is to sustain its commitments to GSA.

Administrative Review and Appeals
Salaries and expenses, General Administration
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1990 as enacted	535	535	$37,299
1990 Sequester	...	...	-477
1990 appropriation	535	535	36,022
Mandatory increases:			
Annualization of 1990 positions	...	28	1,693
Additional compensable day	...	...	83
1990 Full-year pay increase impact on 1991	...	...	876
1991 pay increase	...	...	276
Senior Executive Service salary increase	...	...	33
Special salary rate	...	...	31
Health benefits	...	...	110
GSA rent	...	...	204
GPO printing	...	...	1
Employee data and payroll services	...	...	5
Total mandatory increases	...	...	3,310
Decreases:			
Federal Telecommunications System (FTS)	...	...	-62
Nonrecurring costs - equipment and training	...	...	-372
1991 base	535	563	39,698

Estimates by Program	1989 Enacted Perm. Pos.	WY	Amount	1989 Actual Perm. Pos.	WY	Amount	1990 Appropriation Perm. Pos.	WY	Amount	1991 Base Perm. Pos.	WY	Amount	1991 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
Administrative Review and Appeals:	477	472	$30,492	477	430	$30,207	535	535	$36,022	535	563	$39,698	535	563	$38,370	...	...	-$1,328

Administrative Review and Appeals
Salaries and Expenses, General Administration
Justification for Program and Performance
Activity Resource Summary
(Dollar in thousands)

Administrative Review and Appeals	1990 Appropriation Perm. Pos.	WY	Amount	1991 Base Perm. Pos.	WY	Amount	1991 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
Executive Office for Immigration Review	527	526	$36,225	527	554	$39,067	527	554	$37,760	...	...	-$1,307
Pardon Attorney	8	9	597	8	9	631	8	9	610	...	...	-21
Total	535	535	36,822	535	563	39,698	535	563	38,370	...	...	-1,328

Long Range Goal: To provide a uniform interpretation and application of immigration law, and to provide the President with the necessary advice to enable the informed exercise of his pardoning authority.

Major Objectives:

To expedite all immigration cases, for which EOIR is responsible, including those received pursuant to the provisions of the Immigration Reform and Control Act (IRCA) of 1986, while ensuring fair treatment for all parties involved.

To evaluate, manage and expedite the processing of the steadily increasing caseload receipts and reduce the existing backlog.

To expand the body of immigration case law.

To establish and manage the Administrative Law Judge program for the Department of Justice as required by the provisions of Sections 101 and 102 of the Immigration Reform and Control Act of 1986 (P.L. 99-603).

To increase productivity by streamlining procedures and implementing management improvements.

To receive, process and investigate all Executive clemency applications.

To prepare the Deputy Attorney General's recommendations of clemency to the President.

Base Program Description: The **Executive Office for Immigration Review** (EOIR) is comprised of five major entities: the Board of Immigration Appeals, the Office of the Chief Immigration Judge, the Office of the Chief Administrative Hearing Officer, the Office of Management and Administration, and the Office of the Director. The following provides more detailed information on the responsibilities of these entities:

Base Program Description. The Executive Office for Immigration Review (EOIR) is comprised of five major entities: the Board of Immigration Appeals, the Office of the Chief Immigration Judge, the Office of the Chief Administrative Hearing Officer, the Office of Management and Administration, and the Office of the Director. The following provides more detailed information on the responsibilities of these entities:

Board of Immigration Appeals (BIA). Under the direction of the Chairman, the Board hears appeals from decisions of Immigration Judges and certain decisions of INS officers in a wide variety of proceedings in which the Government of the United States is one party and the other party is either an alien, or a citizen or a business firm. The Board is directed to exercise its independent judgment in hearing appeals for the Attorney General and provides a nationally uniform application of the immigration laws, both in terms of the interpretation of the law and the exercise of the significant discretion vested in the Attorney General. The Board also renders decisions on applications by organizations that have requested permission to practice before the Board, the immigration judges, and INS renders decisions on individual applications by employees of such organizations.

Office of the Chief Immigration Judge (OCIJ). Under the general direction of the Director of EOIR, it is the responsibility of the Chief Immigration Judge to provide overall program direction, articulate policy and establish priorities for the immigration judges located in 21 field offices throughout the United States. Generally, immigration judges hold hearings to determine the status of an alien. Exclusion hearings are held when aliens are believed by the examining inspector at the port of entry to be inadmissable to the United States. The immigration judge's order may admit or exclude an alien, or permit withdrawal of the application for admission. Deportation hearings are held in cases where an alien's status is challenged after entry into the United States.

Office of the Chief Administrative Hearing Officer (OCAHO). Under the general direction of the Director of EOIR, it is the responsibility of the Chief Administrative Hearing Officer to provide overall program direction, articulate policies and procedures, and establish priorities for the Administrative Law Judges (ALJs) appointed pursuant to 5 U.S.C 3015 to adjudicate cases arising under Sections 101 and 102 of the IRCA.
Management and Administration (Office of the Director). EOIR is headed by a Director who is responsible for the general supervision of the Board of Immigration Appeals, the Office of the Chief Immigration Judge, and the Office of the Chief Administrative Hearing Officer in the execution of their duties. The Director exercises the authority delegated by the Attorney General and represents the position and policies of the Executive Office for Immigration Review to the Attorney General, the Deputy Attorney General, members of Congress and other governmental bodies, the press, the bar and private groups interested in immigration matters. The Office of Management and Administration, provides support to the D.rector and all operating components of EOIR in the areas of procurement, facilities, personnel, space management, budget, evaluation, automated systems and other administrative matters. The direction, supervision and final actions in these matters rests with the Director.

The President exercises the pardon power, conferred on him by Article II, Section 2, Clause 1 of the Constitution, upon formal application and the recommendation of the Deputy Attorney General, who has been delegated this function by the Attorney General. The Office of the Pardon Attorney (OPA) assists the Deputy Attorney General in providing whatever information is deemed necessary and desirable to make a fair and informed decision in each case. OPA is the focal point for the receipt, investigation and consideration of petitions for all forms of Executive clemency and serves as the principal liaison with the general public in clemency matters.

Accomplishments and Workload.

In 1989 the Executive Office for Immigration Review EOIR received over 168,000 appeals, motions, hearings, and related matters and completed over 144,000. EOIR experienced record high workload receipts in all three of its adjudicating components.

In addition to Board of Immigration Appeals (BIA's) case completions of approximately 8,500 in 1989, the Board published 63 precedent-setting decisions dealing with issues of first impression and resolving unsettled areas of law. These decisions include significant interpretations of statutory provisions enacted in the Refugee Act of 1980 and the Immigration Reform and Control Act of 1986 (IRCA). In response to IRCA, the Board has instituted innovative procedures for screening cases which involve aliens who appear to be eligible for relief under the legalization provisions of the law. These procedures have cleared several thousand cases, with concurrence from all parties involved, from the appeals docket. Another innovation, instituted in 1988 and continued to the present, involves the appointment of immigration judges, on a rotational basis, to serve as Board Members, thereby allowing the consideration of appeals using multiple panels. This program has resulted in the more efficient and effective use of EOIR personnel in the adjudication of appeals.

The Board is responsible for recognizing and accrediting religious and other charitable organizations to provide representation at little or no cost to individuals in their dealings with INS and EOIR. During 1989, 15 new organizations were recognized, 133 representatives were accredited, and 12 applications for recognition were denied.

Appeal receipts (11,082) and completions (8,560) for 1989 reflect the highest workload demand and productivity in Board history.

Beginning in 1986 and continuing to the present, virtually all pending immigration judge cases have been placed on active court calendars. This is also true of all new cases received to date in 1989. The length of time from the initial receipt of cases to their hearing on the merits has been reduced from one to two years in certain instances to a five-month average. These caseload management and productivity accomplishments enhanced the ability of immigration judges to cope with the significant increases in caseload experienced in 1989 and anticipated in 1990 and beyond. Actual workload data reported in 1989 (157,164 matter received) indicates an increase in case receipts of over fifty percent over 1988 levels, resulting in the highest level of case receipts in EOIR history. During 1989, EOIR's Criminal Alien Program, operating within the Office of the Chief Immigration Judge, expanded activities to include establishment of programs with correctional authorities in all 50 states, Puerto Rici, the District of Columbia, selected municipalities and Bureau of Prisons facilities to coordinate the hearing of criminal alien cases. During 1989, 1,450 criminal alien cases were filed with EOIR involving 40 of the programs coordinated by the Office of the Chief Immigration Judge. Cases were adjudicated or pending in 63 hearing locations. Further, in 1989, 38 immigration judges participated in the Criminal Alien Program, completing over 1,000 criminal alien cases. The program also involved liaison with various bar and legal associations to coordinate pro bono programs in conjunction with hearings in penal institutions.

EOIR's Criminal Alien Program has become an integral part of the President's overall program to combat violent crime. As such, EOIR received 30 positions, 25 workyears and $1,600,000 in 1990 to assist in the expedited deportation of convicted criminal aliens. Increased resources provided to various Federal enforcement agencies, including the INS and Bureau of Prisons, have and will continue to result in the increased identification, conviction and incarceration of criminal aliens. EOIR will use the resources provided in 1990 through the President's Anti-Violent Crime Initiative to expand established criminal alien programs nationwide, process increasing criminal alien litigation costs, i.e., immigration judge travel to correctional facilities.

Accomplishments to date for the Office of the Chief Administrative Hearing Officer (OCAHO) include: the publication in the Federal Register, of Rules of Practice and Procedures for Administrative Hearings before Administative Law Judges (ALJ); establishment and staffing of 25 positions, include three full-time permanent ALJ positions; establishment and staffing of a field office in San Diego, CA; the training and designating of 35 ALJs to meet the statutory requirement of 8 U.S.C 1324b(e)(2) -- only ALJs who are specifically designated by the Attorney General as having received special training vis a vis employment discrimination may preside over Section 102 cases; and completion of a requirements analysis to determine staffing, equipment and space needs for 1991. In addition, EOIR currently utilizes 15 ALJs on loan from other Federal agencies through the Office of Personnel Management's ALJ loan program. During 1989, OCAHO received 626 complaints and ALJ's rendered decisions in 467 cases, some involving fully litigated hearings. In addition to complaints being filed with OCAHO, approximately 150 matters have been received to date. These matters include: the issuing of investigatory subpoenas, requests for the initiation of Federal court enforcement of investigatory subpoenas, and, the adjudication of motions filed in response to subpoenas.

With responsibility for organizational automation needs, the Office of the Director completed in June 1988, implementation of the Automated Nationwide System for Immigration Review (ANSIR) begun in 1985. ANSIR meets all of the information needs of the organization including case management, office automation and access to JURIS, the legal research data base. Automation of the Immigration Judge field offices located throughout the country was the first priority, due to the overwhelming volume of work generated in these offices. Recently, the system was expanded to include all segments of the organization. The second and final phase of software development for the Board of Immigration Appeals was successfully implemented in March 1989, thus completing development of the fully integrated system.

Also in March 1989, EOIR awarded a new transcription contract through the competitive process. A substantial reduction in price from the previous contract was negotiated, thereby allowing EOIR to significantly reduce the transcription backlog without requiring an increase in funding.

The following chart includes the combined workload of the Board of Immigration Appeals, Immigration Judges and Administrative Law Judges.

Appeals, motions, hearings and petitions	1989 Actual	1990 Estimate	1991 Estimate
Pending, beginning of year	28,888	53,264	75,264
Received	168,852	182,000	182,000
Completed	144,476	160,000	170,000
Pending, end of year	53,264	75,264	87,264

The Office of the Pardon Attorney (OPA) processes a very large caseload and a sizable correspondence workload with a relatively small staff of attorneys and administrative support personnel. During 1989, 373 new petitions were received, making a total of 1,046 petitions available for consideration. At the close of 1989, there were 612 petitions for various forms of Executive clemency pending -- 61 cases fewer than at the close of the 1988 fiscal year. In 1989 OPA processed 41 grants of pardon, an increase over FY 1988. In 1989, OPA also handled 392 petitions which, after careful consideration, necessitated denial or no further action. In 1988, OPA mailed out 12,967 items of correspondence, reports and memoranda, including 224 formal responses, referrals or reports made in connection with the Freedom of Information and Privacy Acts (FOI/PA). A significant amount of the correspondence was in response to inquiries from Members of Congress (269) and correspondence to the President and Vice President (2,281). The relatively small number of pardon and commutation grants in recent years has been largely the result of the increasingly exacting approach which has been taken in determining the worthiness of applicants. This has entailed more careful screening of applicants and more thorough background investigations, as well as the application of stricter standards for granting clemency.

	1988 Actual	1989 Estimate	1990 Estimate
Cases:			
Grants of pardon	38	45	55
Grants of commutition	0	1	2
Denials & no actions	497	365	375
Corres. sent out	16,781	21,500	22,000
Cases pending year end	673	650	625

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Office for Immigration Review	527	554	$39,067	527	554	$37,760	...	...	-$1,307
Pardon Attorney	8	9	631	8	9	610	...	...	-21
Total	535	563	39,698	535	563	38,370	...	...	-1,328

Program decreases of $1,328,000 are requested to support the Administration's efforts to reduce spending.

Department of Justice

Fees and Expenses of Witnesses

Estimates for Fiscal Year 1991

Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes in Appropriation Language	2
Crosswalk of 1990 Changes	3
Summary of Requirements	4
Justification of Program and Performance	5
Financial Analysis - Program Changes	12
Summary of Requirements by Grade and Object Class	13

Summary Statement

Fees and Expenses of Witnesses

For 1991, the Department is requesting a total of $70,628,000 for the Fees and Expenses of Witnesses appropriation. The request includes program enhancements of $10,891,000 for expert witnesses; $3,310,000 for protection of witnesses; and $400,000 for private counsel.

The Fees and Expenses of Witnesses activity provides for all fees and expenses associated with the provision of testimony on behalf of the Government. Specifically, there are two types of witnesses that are compensated under this activity. Fact witnesses testify as to events or facts about which they have personal knowledge. These witnesses are paid a statutorily established rate of $30 per day plus reasonable amounts for travel and certain other costs associated with their appearance. Expert witnesses provide technical or scientific testimony and are compensated based on negotiations with the government attorney who is responsible for the case. This activity also pays the fees of physicians and psychiatrists who examine accused persons upon order of the court to determine their mental competency. Additional funding of $10,891,000 is needed in this program area to meet the spiralling costs associated with retaining expert witness services and to address the extraordinary demand for expert witnesses required in litigation generated by the Exxon-Valdez accident. It is important to note here that demand for such services is directly related to the litigation workload of the various users of expert witness funds.

The Protection of Witnesses activity provides for the security of Government witnesses or potential Government witnesses and their families when their testimony concerning organized criminal activity may jeopardize their personal security. This program provides for their: subsistence expenses, housing, medical and dental expenses, travel, documentation expenses, identity changes, one-time relocation, costs for obtaining employment, and other miscellaneous expenses. A program enhancement of $3,310,000 is sought for this program area primarily to address proposed changes in the housing, relocation and subsistence rate schedule and to pay construction and maintenance costs of additional safesites.

The Victim Compensation Fund was established by Section 1208 of the Comprehensive Crime Control Act (Title II of P.L. 98-473). The Fund is used by the Attorney General to "pay restitution to, or in the case of death, compensation for the death of any victim of a crime that causes or threatens death or serious bodily injury and that is committed by any person during a period in which that person is provided protection under this chapter." In the case of death, an amount not to exceed [illegible],000 may be paid to the victim's estate. Moreover, the act authorizes payment of an amount not to exceed $25,000 to the estate of any individual whose death was caused by a protected witness before the enactment of this law. No additional resources are sought for this program.

The Private Counsel activity is provided for under 28 C.F.R. 50.15 and 50.16, whereby, the Civil Division is authorized to retain private counsel to represent Government officers and employees who are sued for actions taken while performing their official duties. Furthermore, payments for these services shall be made from Department of Justice appropriations. To defray the increased costs associated with retaining private counsel, the Department requests a modest program increase of $400,000.

Fees and Expenses of Witnesses

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Fees and Expenses of Witnesses

For expenses, mileage, compensation, and per diems of witnesses, for private counsel
expenses, and for per diems in lieu of subsistence, as authorized by law, including
advances [: $56,784,000], to remain available until expended, of which not to exceed $70,628,000
[$1,693,000] may be available for planning, construction, renovation, maintenance, $2,000,000
remodeling and repair of buildings and the purchase of equipment incident thereto for
protected witness safesites [: Provided, That for fiscal year 1990 and hereafter the
Attorney General may enter into reimbursable agreements with other Federal Government
agencies or components within the Department of Justice to pay expenses of private
counsel to defend Federal Government employees for actions while performing their
official duties: Provided further, That for fiscal year 1990 and hereafter the
Attorney General, upon notification to the Committees on Appropriations of the House
of Representatives and the Senate in compliance with provisions set forth in section
606 of this Act, may authorize litigating components to reimburse this account for
expert witness expenses when it appears current allocations will be exhausted for
cases scheduled for trial in the current fiscal year].

(5 U.S.C. 503(b), 5537, 5751; 18 U.S.C. 3495-96, 3525, 4203, 4241, 4242;
28 U.S.C. 524, 1783, 1821, 1825, 1915, 1922; Department of Justice
Appropriations Act, 1990; additional authorizing legislation to be proposed.)

Explanation of Changes

The proposed change deletes language enacted for "1990 and hereafter" in the Department's 1990 appropriations act. Therefore, it is no longer necessary to restate these provisions.

Fees and Expenses of Witnesses

Crosswalk of 1990 Changes

(In thousands of dollars)

Activity/Program	1990 Pres. Budget [1]	1990 Program Sequestration	1990 Reprogrammings	1990 Appropriation Enacted
1. Fees and Expenses of Witnesses	$39,074	($521)	---	$38,553
2. Protection of Witnesses	15,120	(202)	---	14,918
3. Victim Compensation Fund	590	(8)	---	582
4. Private Counsel	2,000	(26)	---	1,974
	56,784	(757)	---	56,027

Sequestration

This adjustment is made in compliance with the Omnibus Budget Reconciliation Act of 1989, which requires a reduction of approximately 1.3 percent. This reduction limits the Department's ability to hire fact and expert witnesses; to provide housing and subsistence for protected witnesses; and to retain private counsel to represent Government employees.

---

[1] This column reflects the amounts contained in the 1990 President's Budget adjusted to correct a typographical error. The bottom line is not changed.

Legal Activities

Fees and Expenses of Witnesses

Summary of Requirements

(In thousands of dollars)

Adjustments to base	Amount
1990 as enacted	$56,784
1990 Sequestration	(757)
1990 Appropriation anticipated (Base for 1991)	56,027

Estimates by budget activity	1989 Enacted	1989 Actual	1990 Appro. Anticipated [1]	1991 Base	1991 Estimate [2]	Increase/ Decrease
1. Fees and Expenses of Witnesses	$35,923	$36,416	$38,553	$38,553	$49,444	$10,891
2. Protection of Witnesses	15,056	16,476	14,918	14,918	18,228	3,310
3. Victim Compensation Fund	590	...	582	582	582	...
4. Private Counsel	634	378	1,974	1,974	2,374	400
Total	52,203	53,270	56,027	56,027	70,628	14,601

---

[1] These amounts do not tie to amounts reflected in the 1991 galleys because of the redistribution of funding restored as provided by the reconciliation of the 1990 sequestration. The amounts presented here reflect the accurate distribution of funds enacted and requested for this appropriation.

[2] These amounts also do not tie to amounts presented in the 1991 galleys. They have been revised to accurately bridge from the 1991 base amounts.

LEGAL ACTIVITIES

JUSTIFICATION FOR PROGRAM AND PERFORMANCE

Activity Resource Summary
(In thousands of dollars)

	1990 Enacted	1991 Base	1991 Estimate	Increase/Decrease
Fees and Expenses of Witnesses....	$38,553	$38,553	$49,444	$10,891

Long-Range Goal. To provide funding for payment of fees and related expenses incurred by those individuals who provide factual, technical or scientific testimony on behalf of the United States or court designated indigents, as provided by law. Funds provided for this activity also guarantee the right of accused persons to a fair and impartial trial by ensuring that the accused is mentally competent to stand trial and that the court has testimony regarding the mental competency of the accused at the time of the offense.

Major Objectives.

To provide an adequate number of expert witnesses for the United States when legal proceedings require testimony of a scientific or technical nature.

To provide reasonable compensation for expert witnesses at rates established by the Attorney General or the Assistant Attorney General for Administration, pursuant to 28 U.S.C. 524.

To provide adequate resources to compensate fact witnesses who testify on behalf of the government for the expenses associated with the attendance at legal proceedings. The court-attendance fee paid to fact witnesses is set by law (28 U.S.C. 1821). As a result of Public Law 96-346 (September 10, 1980), the amounts authorized for travel, per diem and mileage are set by regulations governing official travel by federal employees and promulgated by the Administrator of the General Services Administration.

To provide adequate resources to compensate fact witnesses used by those defendants designated as indigent by the courts. Expenses are paid to those witnesses who appear in criminal proceedings in federal court for the indigent defendants.

To provide for the fees and expenses of physicians or psychiatrists who perform court-ordered examinations to determine the mental competency of an accused person, pursuant to 18 U.S.C. 4241 and 4242.

Base Program Description. This program provides for payment of fees and expenses of expert witnesses who appear on behalf of the government when scientific or technical expertise is required in the prosecution or defense of a case. The pursuit of complex litigation by the

Department would not be possible without qualified experts to testify and to refute the non-legal particulars of individual cases. The testimony of expert witnesses is essential to the successful outcome of such litigation. While a wide array of specialized disciplines are involved in the Department's litigation, experts from certain disciplines are used extensively. For example, approximately sixty percent of expert witnesses used by the Department in 1987 were either physicians, psychiatrists, appraisers, engineers, or economists. Also, the testimony of fact witnesses is used in court proceedings by the Department's legal divisions and the U.S. Attorneys. Fact witnesses are needed in a wide range of court proceedings, as well as pre-trial conferences. Fees and expenses paid to witnesses are intended to defray the costs of appearing to testify and are set by law and/or regulation. Further, the importance of this program is underlined by the need to protect the rights of accused individuals. Courts often order the government to pay the costs associated with mental competency examinations conducted by physicians or psychiatrists. These examinations are performed in an attempt to determine whether an accused person is mentally competent to stand trial and/or was mentally competent at the time of the offense.

Accomplishments. Funding allocated for this activity has been sufficient to allow the Department to handle the continuing growth in expert witness requirements. These resources have also provided adequate protection of the rights of accused individuals through performance of mental competency examinations. The following table illustrates the growth in requirements for these services.

	1988	1989	1990	1991
Total expert witnesses used	3,073	3,000	3,500	4,000
Average fee per expert witness	$7,515	$8,570	$9,000	$11,375
Total expert witness obligations	$23,116,361	$25,710,000	$31,500,000	$45,500,000
Total number of psychiatric examinations	143	145	150	150
Average cost per psychiatric examination	$3,512	$4,500	$4,550	$4,550

Workload. The following table illustrates the pattern of growth in the types of cases that generally require expert witness services:

	1988	1989	1990	1991
Cases pending, beginning of year	234,027	229,891	230,589	229,711
Cases received	152,758	164,950	172,087	182,026
Cases closed	156,894	164,252	172,965	184,310
Cases pending, end of year	229,891	230,589	229,711	227,427

Program Changes:	1991 Base	1991 Estimate	Increase/Decrease
Fees and Expenses of Witnesses.............	$38,553	$49,444	$10,891

The requested program increase will allow the Department to handle an expected increase in the number of expert witnesses as well as the increased cost of expert witness testimony. Although several users of expert witnesses funding indicate slight increases in the projected number of witnesses to be used, the primary reason for the increase in expert witness expenses appears to be the high costs associated with sophisticated techniques for testimony preparation in complex cases. Along with the higher cost of technical services, expert witnesses are also demanding a higher rate of personal compensation for the time they spend on the preparation and presentation of testimony.

One of the most egregious examples of the rising costs of expert witness services can be cited in the medical profession. In recent years, the cost of medical services and the rate of compensation for physicians has continued to increase more rapidly than the general rate of inflation. For example, the average fee paid to medical experts in 1985 was $1,100. The average fee for 1989 increased almost four times to $4,200. Although medical experts are not the most requested category of witnesses, this example is cited as proof of the significant growth in expenses across all witness categories. The upward trend is expected to continue through 1991.

The gradual increase in expert witness costs is better represented through an analysis of actual witness expenses. In 1985, only 10 percent of all witness expenses exceeded $10,000. In 1988, approximately 14 percent of all witness expenses exceeded $10,000. In 1989, almost 19 percent of all witnesses requested fees in excess of $10,000. Currently, there is no indication that this trend will reverse itself in the immediate future. Subsequently, by 1991, it is conceivable that more than 20 percent of the Department's expert witnesses will demand compensation that exceeds $10,000. Based on the anticipated number of witness requests in 1991 (4,000), over 800 experts will be paid $10,000 or more, for a total of more than $8 million. This shift toward the higher expense categories has resulted in a significant increase in the overall average cost of expert witness services. For the period 1985 through 1989, the average expert witness fee increased from $5,497 to $8,570 (approximately 56 percent). For 1990, the average is expected to approach $9,000.

Further, it is reasonable to expect the demand for expert witnesses to increase as additional litigative resources are provided to the various user organizations. Historical data supports this assertion. In 1986, the Department had 4,497 authorized attorney positions and subsequently retained the services of 3,076 witnesses. In 1988, the number of attorneys increased by 2 percent to 4,583 and the number of experts hired increased to 3,154, approximately 2.5 percent. By 1991, the Department's attorney staffing will expand to 5,955 authorized positions (an increase of approximately 30 percent over 1988). Such a resource increase is likely to generate a concomitant increase in demand for expert witnesses that could result in an additional 946 requests for expert services. Based on the 1988 average cost of hiring expert witnesses, the additional 1991 demand associated with the increased attorney staffing levels alone will cost approximately $8 million dollars.

Aggregate caseload data further supports the projected rise in demand for experts. The number of cases handled by Department attorneys that generally require some form of support by expert witnesses is expected to increase by 19 percent from 152,758 in 1988 to 182,026 in 1991. Much of the additional workload includes litigation of cases involving toxic torts, radiation, fraud, natural resource damage claims and federal facility contribution actions.

Finally, another major factor behind the expected surge in demand for expert witnesses is the Exxon-Valdez litigation. The scope of this case will require a number of highly specified witnesses such as biostatisticians, hydrodynamicists and autogyro steering experts, who, in a sellers' market, will demand premium fees for their services. The importance of successful litigation in this case is further exacerbated by reported claims of Exxon's reluctance to continue clean-up activities. If Exxon's clean-up effort is less than acceptable to the Alaskan and Federal Governments, protracted litigation will be necessary to determine an adequate level of costs to be recovered by the Federal Government for its participation in treating the polluted areas.

If the Department's front-line attorneys are unable to successfully litigate the various types of cases that require the services of expert witnesses because of a shortage of expert witness funds, the Federal fisc could potentially be exposed to real dollar losses totalling in the billions. According to the FBI, approximately $10.5 billion are at stake in bank fraud cases alone. Provision of the requested program enhancements will ensure that the Government's interests are adequately represented in court.

	1990 Enacted	1991 Base	1991 Estimate	Increase/Decrease
Protection of Witnesses...........	$14,918	$14,918	$18,228	$3,310

Long-Range Goal: To increase the effectiveness of the Department's efforts to combat criminal activity in such areas as organized crime, drugs or narcotics, and murder or conspiracy to commit murder, by obtaining testimony from potentially endangered or threatened witnesses.

Major Objectives:

To obtain that which can be used to prosecute persons accused of organized crime or other serious criminal activity.

To protect witnesses and their families when the testimony of the witnesses may jeopardize their personal security.

To compensate witnesses for subsistence costs such as housing, food, relocation, and incidental expenses as provided by the Witnesses Security Reform Act of 1984.

To provide orientation, documentation and family-oriented services, etc., to new entrants into the Witness Security program.

Base Program Description: The procedure for designating a person as a protected witness is set forth in Department of Justice OBD Order 2110.2 "Witness Protection and Maintenance Policy and Procedures." This order places within the U.S. Marshals Service the responsibility for the security of these witnesses and their families. This program provides for their financial maintenance including the following: subsistence expenses; housing; medical and dental expenses; travel; documentation expenses for identity changes; one-time relocation; costs for obtaining employment; and other miscellaneous expenses. This activity also provides for construction and maintenance of strategically located safesite facilities to house protected witnesses before and during trial.

Accomplishments and Workload: All data reflecting the activities of this program are incorporated in the Witness Security program. However, a recent General Accounting Office report entitled "Witness Security Program: Prosecutive Results and Participants Arrest Data" (GAO/GGD-84-87) found that, upon reviewing 220 case summaries involving the testimony of protected witnesses, 78 percent of the defendants in these cases were found guilty. Eight-four percent of those found guilty were sent to prison for a median sentence of 4.4 years. These prosecutions resulted in significantly more severe sentences then those received for federal felony prosecutions in general.

This activity has also provided sufficient funding to ensure the protection of witnesses willing to testify for the government in all organized crime cases requiring such testimony.

Program Changes:	1991 Base	1991 Estimate	Increase/Decrease
Protection of Witnesses....................	$14,918	$18,228	$3,310

In 1990, the U.S. Marshals Service (USMS) will begin construction on at least two new major safesites. The Department will also renovate and remodel the first safesite ever built to enhance the state-of-the-art of the current security surveillance and communications systems. The requested program increase will allow USMS to maintain the new safesites and pay for increased housing and subsistence costs.

As the number of new and funded participants in the Witness Protection program increases, so too will the costs of services provided by the epartment. Primarily, housing (real estate) and medical expenses have risen nearly 25 percent in the last year alone. Further, Department of Justice Order 2110.43, "Guidelines for Maintenance Payments to Protected Witnesses" provides guidance on subsistence allowances for witnesses. A revised Order, which has not been updated since 1983, is currently pending review and approval to increase the housing and subsistence rate schedules to more accurately reflect today's costs. The Department anticipates that once the proposed revision is approved, relocation costs will increase by approximately 66 percent. Further, based on a near doubling of the number of child visitations from 1988 to 1989, USMS expects to complete 260 of these visits in 1991. Also, the number of witness productions for court appearances will increase by approximately 16 percent.

Taken together, the increases in housing, subsistence and relocation costs, child visitations and witness productions will generate a significant need for the requested program increase of $3,000,000. Following is a break-out of some of the various costs associated with the protection of witnesses costs for 1987, 1988 and 1989.

(In thousands of dollars)

	1987	1988	1989
Housing..........................	$2,009	$2,343	$3,070
Subsistence......................	3,051	3,436	4,299
Relocation.......................	2,117	2,643	2,246
Medical..........................	1,367	1,676	2,257
Total..........................	8,544	10,098	11,872

	1990 Enacted	1991 Base	1991 Estimate	Increase/Decrease
Victim Compensation Fund..........	$582	$582	$582	...

Long Range Goal. To pay restitution, or in the case of death, compensation for the death, to any victim of a crime that causes or threatens death or serious bodily injury that is committed by a protected witness.

Major Objective. To provide compensation to those individuals, or, in the case of death, to the individual's estate, who are victimized by a protected witness.

Base Program Description. This program provides resources to compensate individuals who are victimized by a protected witness. Section 1208 of the Comprehensive Crime Control Act of 1984 (Title II of P.L. 98-473), enacted October 12, 1984, authorized up to $1,000,000 to be appropriated annually for a Victim Compensation Fund. The Fund was first funded by the 1985 Supplemental Appropriations Act (P.L. 99-88).

Restitution will not exceed $50,000 for those victimized since the establishment of the Fund. Restitution not to exceed $25,000 shall be paid to the estate of victims killed as a result of crimes committed by persons who have been enrolled in the Witness Security Program if such crimes were committed prior to enactment of P.L. 98-473.

Accomplishments. The Department has provided adequate compensation to those victims who have been identified, submitted appropriate claim information, and were found eligible to receive benefits.

The Criminal Division has promulgated guidelines for identifying and notifying potential claimants, reviewing the claims, and making payments from the Fund.

	1990 Enacted	1991 Base	1991 Estimate	Increase/Decrease
Private Counsel....................	$1,974	$1,974	$2,374	$400

Long Range Goal. To continue to defend Federal employees personally sued for carrying out official duties.

Major Objective. To retain private counsel to represent Government officers and employees who are sued for actions taken while performing their official duties.

Base Program Description. This activity provides funding to allow the Department to retain outside private counsel to represent government officers and employees who are sued for actions taken while performing their official duties. As provided for under 28 C.F.R. 50.15 and 50.16, the Civil Division is delegated the authority to retain such counsel and further provided that payments for such services will be payable from the Department of Justice appropriations.

Accomplishments. Through 1989, the Department has provided a total of 13 attorneys for 10 individual cases. Following are synopses of three of the cases handled this year. In *Begay v. Hodel*, a civil action was brought concerning an Indian woman who alleged that Bureau of Indian Affairs employees did not properly consider her for placement in the school system. The action was brought under the Rehabilitation Act and the Education for all Handicapped Children Act. Also, a *Bivens* action was filed under the "Due Process Clause" of the Fifth Amendment. In *Willson, et. al. v. Cagle, et. al.*, a civil action for damages was filed against seven federal defendants alleging violation of constitutional rights, personal injuries and emotional distress arising out of the train accident at the Concord Naval Weapons Station on September 1, 1987. Plaintiffs were demonstrating against U.S. involvement in Central America at the time. Plaintiff Willson lost both legs when he was run over by a munitions train. Another civil suit was filed in *Moreno v. SBA*, wherein the plaintiff alleged he lost his job because he turned in a supervisor for alleged criminal actions. In response to "blowing the whistle", the plaintiff alleged that a conspiracy to fire him was joined.

Program Changes:	1991 Base	1991 Estimate	Increase/Decrease
Private Counsel............................	$1,974	$2,374	$400

The additional $400,000 is requested to allow the Department to continue hiring more outside counsel to handle a projected increase in the number of *Bivens* cases, wherein the private bar attempts to couch tort claims against Government employees in terms of constitutional issues. These types of cases generally involve more defendants, and therefore, require the retention of more than one attorney per case. Finally, *Bivens* cases tend to involve complex constitutional issues and consequently result in numerous appeals which also serve to increase private counsel expenses.

Item
Special Personal Services Payments
Travel
Total

Fees and Expenses of Witnesses

inancial Analysis - Program Changes

(In thousands of dollars)

Fees and Expenses of Witnesses	Protection of Witnesses	Private Counsel	Total
$10,891	$3,310	$50	$14,251
...	...	350	350
10,891	3,310	400	14,601

OPENING REMARKS

Mr. **MOLLOHAN**. The Committee is pleased to welcome again Assistant Attorney General for Administration, Harry H. Flickinger. Mr. Flickinger, we welcome you to the Committee, and hope you didn't have trouble getting through the police line.

Mr. **FLICKINGER**. Just a bit. It was exciting out there.

Mr. **MOLLOHAN**. We are glad you made it. Welcome to the committee. We invite you to summarize your statement and submit your written statement for the record, if you will.

SUMMARY STATEMENT

Mr. **FLICKINGER**. Thank you, Mr. Chairman. I will be happy to do that, if I could summarize the main points in our request, in the interest of time.

First, as you have indicated, the General Administration appropriation request includes a total of $101,061,000, for 1,098 positions and 1,158 directly funded workyears in support of the Attorney General, other senior policy level officials, the principal management and administrative functions of the Department, and the Executive Office for Immigration Review, EOIR. This budget represents a net increase of $4,611,000 and a decrease of four positions from the 1990 enacted appropriation.

The request for GA contains mandatory increases of $7.3 million, including increases for SES and general schedule pay raises. Two million dollars of this amount represents annualization of increases provided by Congress in 1990.

The General Administration request also includes base level decreases of $631,000 that include nonrecurring costs and reductions for savings associated with implementation of telecommunications enhancements that are expected to be completed in the current year, 1990.

The General Administration appropriation is also proposing a decrease of $3.5 million. This will occur basically in the Justice Management Division and in the Executive Office for Immigration Review. Both of those organizations will absorb about 83 percent of that reduction.

The Justice Management Division will absorb its $1.6 million decrease in the debt collection program. The Private Counsel Project will be fully implemented in all 10 pilot districts by the end of fiscal year 1990. As a result, resource requirements for project implementation, such as equipment purchases, software development, travel and training for the private counsel offices, will be reduced.

In the Executive Office for Immigration Review, the $1.3 million reduction will primarily impact resources for scheduled enhancements to EOIR's automated case tracking system. This decrease will not adversely impact EOIR's programs.

SUPPLEMENTAL LANGUAGE

Before I address our requested program increases, I would like to mention a proposed supplemental language change regarding extension of the debt collection private counsel pilot. The Federal Debt Recovery Act of 1986 authorized the pilot project only through August 31, 1990, after which the program is due to terminate.

This supplemental language change would extend the pilot project through September 30, 1992. The extension is necessary due to unforeseen problems that arose in the process of letting the contracts to run the pilot project. As a result of these delays, the Department was unable to get the project operational in the first five pilot districts until September 1989. Extending the program until September 30, 1992 would provide the necessary time to judge the program's effectiveness.

PROGRAM INCREASES

The General Administration's program increases are requested in two program activities.

The Justice Management Division is requesting total program increases of five positions and $580,000 to provide resources for ethics, program fraud civil remedies, and equal employment opportunities oversight.

We are seeking an increase of two positions and $91,000 to handle the increased ethics workload. One of the major responsibilities of the Justice Management Division is to manage the ethics program for the Department. The recent enactment of the Ethics Reform Act of 1989 and promulgation of Executive Order 12674 on standards of conduct have greatly increased the burden of managing the program.

First, while over 700 Department officials are now required to file financial disclosure reports, this number will soon increase. Second, the new Executive Order requires that certain officials receive mandatory annual ethics briefings. Third, the Ethics Reform Act of 1989 effected sweeping changes in almost all of the ethics laws and regulations in existence. It will be incumbent upon JMD to analyze, explain, and implement all of these new rules within the Department. JMD will have to educate its own ethics staff, the deputy ethics officials throughout the Department, and the bulk of Department employees.

With regard to program fraud's civil remedies, we are asking for one position and $48,000 to handle the anticipated increased workload generated by new program fraud responsibilities.

With regard to EEO complaints processing, as the focal point for Departmental responsibilities for equal employment opportunity oversight the Justice Management Division is requesting two positions and $291,000 to increase the effectiveness and timeliness of investigations and to ensure that these improvements are sustained in the coming years. The additional resources we are requesting will enable JMD to maintain proper oversight of the offices, boards and divisions complaints inventory, and to provide necessary assistance to meet the Department's goals to eliminate the investigations backlog.

Productivity improvements initiative: The Department is actively proceeding to implement total quality management, TQM, in compliance with Executive Order and OMB Circular A-132. Specifically, we are requesting $150,000 to implement this initiative.

FACILITIES PROGRAM 2000

Facilities Program 2000: The Department of Justice is requesting $970,000 to begin a major facilities construction and renovation project that will span 10 years and partially consolidate components currently located in over 50 locations in the Washington metropolitan area.

The project consists of two parts. The first is occupancy of three new buildings, which also entails construction. The new buildings will provide an opportunity to dramatically reduce the Department's physical fragmentation and to release between 17 and 20 of its current locations. Components from most of these locations will partially or fully consolidate in these new buildings. Savings directly accrued by the Department will result from reduced lease costs through more efficient design and improved utilization of space, improved working conditions, lower operational and administrative costs, and increased productivity due to the physical proximity of staffs.

The second part of this project is the critically-needed renovation of the Main Justice and the Home Owners Loan Corporation Buildings for improvement in environmental conditions, upgrading of electrical and cooling systems, and removal of asbestos hazards.

The total estimated cost for all elements of this program, including base building construction and the building renovations, is $330 million to $375 million. This is the total estimated cost to the government. The Department of Justice's share of these costs, over a 10-year period, could be as high as $70 million.

The $970,000 requested for 1991 would be used to develop the Department's "Requirements Program" that identifies offices to be relocated, their personnel and equipment needs, and any special functional requirements. Additionally, the funding would provide the contract architectural and engineering support needed to begin the process for preparation of the construction drawings.

[The statement of Mr. Flickinger regarding the General Administration and Fees and Expenses of Witnesses appropriations follows:]

DEPARTMENT OF JUSTICE
GENERAL ADMINISTRATION APPROPRIATION

STATEMENT OF THE
ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION,
HARRY H. FLICKINGER,
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY AND RELATED AGENCIES

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOU TO DISCUSS THE 1991 GENERAL ADMINISTRATION (GA) APPROPRIATION REQUEST. THE REQUEST INCLUDES A TOTAL OF $101,061,000 FOR 1,098 POSITIONS AND 1,158 DIRECTLY FUNDED WORKYEARS IN SUPPORT OF THE ATTORNEY GENERAL, OTHER SENIOR POLICY LEVEL OFFICIALS, THE PRINCIPAL MANAGEMENT AND ADMINISTRATIVE FUNCTIONS OF THE DEPARTMENT, AND THE EXECUTIVE OFFICE FOR IMMIGRATION REVIEW (EOIR). THIS BUDGET REPRESENTS A NET INCREASE OF $4,611,000 AND A DECREASE OF FOUR POSITIONS FROM THE 1990 ENACTED APPROPRIATION.

THE REQUEST FOR GA CONTAINS MANDATORY INCREASES OF $7.3 MILLION, INCLUDING INCREASES FOR SES AND GENERAL SCHEDULE PAY RAISES. TWO MILLION DOLLARS OF THIS AMOUNT REPRESENTS ANNUALIZATION OF INCREASES PROVIDED BY CONGRESS IN 1990. THESE INCREASES INCLUDE 50 POSITIONS FOR EOIR AS PART OF THE PRESIDENT'S VIOLENT CRIME INITIATIVE; 8 POSITIONS FOR EOIR ASSOCIATED WITH THE CHIEF ADMINISTRATIVE HEARING OFFICER FUNCTION; AND 9 POSITIONS FOR THE JUSTICE MANAGEMENT DIVISION (JMD) FOR THE PRIVATE COUNSEL FOR DEBT COLLECTION PILOT PROGRAM.

SAVINGS

THE GENERAL ADMINISTRATION REQUEST ALSO INCLUDES BASE LEVEL DECREASES OF $631,000 THAT INCLUDE REDUCTIONS FOR SAVINGS ASSOCIATED WITH IMPLEMENTATION OF TELECOMMUNICATIONS ENHANCEMENTS THAT ARE EXPECTED TO BE COMPLETED IN 1990.

IN COMPLIANCE WITH ADMINISTRATION POLICY GUIDANCE TO REDUCE FEDERAL SPENDING, THE GENERAL ADMINISTRATION APPROPRIATION IS ALSO PROPOSING A PROGRAM DECREASE OF $3.5 MILLION THAT WILL BE APPLIED ON A PRO RATA BASIS TO EACH PROGRAM ACTIVITY. THIS REDUCTION SHOULD NOT HAVE A DETRIMENTAL IMPACT ON THE PROGRAMS WITHIN THIS APPROPRIATION. THE JUSTICE MANAGEMENT DIVISION AND THE EXECUTIVE OFFICE FOR IMMIGRATION REVIEW WILL ABSORB ABOUT 83 PERCENT OF THIS REDUCTION.

THE JUSTICE MANAGEMENT DIVISION WILL ABSORB ITS $1.6 MILLION DECREASE IN THE DEBT COLLECTION PROGRAM. THE PRIVATE COUNSEL PROJECT WILL BE FULLY IMPLEMENTED IN ALL 10 PILOT DISTRICTS BY THE END OF FISCAL YEAR 1990. AS A RESULT, RESOURCE REQUIREMENTS FOR PROJECT IMPLEMENTATION, SUCH AS EQUIPMENT PURCHASES, SOFTWARE DEVELOPMENT, TRAVEL AND TRAINING FOR THE PRIVATE COUNSEL OFFICES, WILL BE REDUCED. THEREFORE, THE FUNDING PROPOSED FOR 1991 SHOULD BE SUFFICIENT TO MANAGE THE PROJECT AND PROVIDE DATA TO EVALUATE THE PRIVATE COUNSEL CONCEPT AND DETERMINE ITS FEASIBILITY AS A METHOD FOR COLLECTING FEDERAL PUBLIC DEBT.

IN THE EXECUTIVE OFFICE FOR IMMIGRATION REVIEW, THE $1.3 MILLION REDUCTION WILL PRIMARILY IMPACT RESOURCES FOR SCHEDULED

ENHANCEMENTS TO EOIR'S AUTOMATED CASE TRACKING SYSTEM. THIS DECREASE WILL NOT ADVERSELY IMPACT EOIR'S PROGRAMS.

THE JUSTICE MANAGEMENT DIVISION IS ALSO REFLECTING AN A-76 REDUCTION OF 4 POSITIONS, 4 WORKYEARS, AND $127,000.

PROPOSED LANGUAGE SUPPLEMENTAL

BEFORE I ADDRESS OUR REQUESTED PROGRAM INCREASES, I WOULD LIKE TO MENTION A PROPOSED SUPPLEMENTAL LANGUAGE CHANGE REGARDING EXTENSION OF THE DEBT COLLECTION PRIVATE COUNSEL PILOT. THE FEDERAL DEBT RECOVERY ACT OF 1986 AUTHORIZES THE PILOT PROJECT ONLY THROUGH AUGUST 31, 1990, AFTER WHICH THE PROGRAM IS DUE TO TERMINATE. THIS SUPPLEMENTAL LANGUAGE CHANGE WOULD EXTEND THE PILOT PROJECT THROUGH SEPTEMBER 30, 1992. THE EXTENTION IS NECESSARY DUE TO UNFORESEEN PROBLEMS THAT AROSE IN THE PROCESS OF LETTING THE CONTRACTS TO RUN THE PILOT PROJECT. AS A RESULT OF THESE DELAYS, THE DEPARTMENT WAS UNABLE TO GET THE PROJECT OPERATIONAL IN THE FIRST FIVE PILOT DISTRICTS UNTIL SEPTEMBER 1989. EXTENDING THE PROGRAM UNTIL SEPTEMBER 30, 1992, WOULD PROVIDE THE NECESSARY TIME TO JUDGE THE PROGRAM'S EFFECTIVENESS.

PROGRAM INCREASES

THE GENERAL ADMINISTRATION'S PROGRAM INCREASES ARE REQUESTED IN TWO PROGRAM ACTIVITIES.

JUSTICE MANAGEMENT DIVISION

THE JUSTICE MANAGEMENT DIVISION IS REQUESTING TOTAL PROGRAM INCREASES OF FIVE POSITIONS AND $580,000 TO PROVIDE RESOURCES FOR ETHICS, PROGRAM FRAUD CIVIL REMEDIES, AND EQUAL EMPLOYMENT OPPORTUNITIES OVERSIGHT.

ETHICS PROGRAM

WE ARE SEEKING AN INCREASE OF TWO POSITIONS AND $91,000 TO HANDLE THE INCREASED ETHICS WORKLOAD.

ONE OF THE MAJOR RESPONSIBILITIES OF THE JUSTICE MANAGEMENT DIVISION IS TO MANAGE THE ETHICS PROGRAM FOR THE DEPARTMENT. THE RECENT ENACTMENT OF THE ETHICS REFORM ACT OF 1989 AND PROMULGATION OF EXECUTIVE ORDER 12674 ON STANDARDS OF CONDUCT HAVE GREATLY INCREASED THE BURDEN OF MANAGING THIS PROGAM.

FIRST, WHILE OVER 700 DEPARTMENT OFFICIALS ARE NOW REQUIRED TO FILE FINANCIAL DISCLOSURE REPORTS, THIS NUMBER WILL SOON INCREASE. THESE REPORTS MUST BE COLLECTED, REVIEWED, AND RETAINED FOR PUBLIC INSPECTION. ONLY OFFICIALS ABOVE THE LEVEL OF GS-16 ARE PRESENTLY REQUIRED TO FILE. HOWEVER, THE OFFICE OF GOVERNMENT ETHICS WILL SOON ISSUE REGULATIONS THAT WILL REQUIRE MANY EMPLOYEES AT THE GS-13 TO 15 LEVEL TO FILE FINANCIAL DISCLOSURE REPORTS, A REQUIREMENT THAT WILL ADD GREATLY TO JMD'S WORKLOAD. JMD WILL HAVE TO SET UP A SYSTEM TO DETERMINE WHO SHOULD FILE, PROVIDE FOR THE COLLECTION OF REPORTS, AND PROVIDE INSTRUCTIONS ON THE REVIEW OF THESE REPORTS.

SECOND, THE NEW EXECUTIVE ORDER REQUIRES THAT CERTAIN OFFICIALS RECEIVE MANDATORY ANNUAL ETHICS BRIEFINGS. LAST YEAR, DESPITE THE EFFORTS OF SEVERAL ETHICS OFFICIALS BOTH WITHIN AND OUTSIDE JMD, ONLY SIX PERCENT OF DEPARTMENT PERSONNEL RECEIVED ETHICS TRAINING. WE WILL NEED TO GREATLY INCREASE THIS PERCENTAGE IN THE COMING YEARS.

THIRD, THE ETHICS REFORM ACT OF 1989 EFFECTED SWEEPING CHANGES IN ALMOST ALL OF THE ETHICS LAWS AND REGULATIONS IN EXISTENCE. IT WILL BE INCUMBENT UPON JMD TO ANALYZE, EXPLAIN, AND IMPLEMENT ALL OF THESE NEW RULES WITHIN THE DEPARTMENT. JMD WILL HAVE TO EDUCATE ITS OWN ETHICS STAFF, THE DEPUTY ETHICS OFFICIALS THROUGHOUT THE DEPARTMENT, AND THE BULK OF DEPARTMENT EMPLOYEES.

PROGRAM FRAUDS CIVIL REMEDIES

WE ARE ASKING FOR ONE POSITION AND $48,000 TO HANDLE THE ANTICIPATED INCREASED WORKLOAD GENERATED BY NEW PROGRAM FRAUD RESPONSIBILITIES.

THE JUSTICE MANAGEMENT DIVISION HAS BEEN GIVEN RESPONSIBILITY FOR PROSECUTING CLAIMS UNDER THE PROGRAM FRAUDS CIVIL REMEDIES ACT. THIS ACT PROVIDES THAT FALSE CLAIMS AND STATEMENTS MAY BE PROSECUTED ADMINISTRATIVELY AND CIVIL FINES MAY BE RECOVERED, IN CASES WHERE THE DEPARTMENT OF JUSTICE CHOOSES NOT TO FILE A CRIMINAL ACTION OR CIVIL SUIT IN THE UNITED STATES DISTRICT COURT.

EEO COMPLAINTS PROCESSING

AS THE FOCAL POINT FOR DEPARTMENTAL RESPONSIBILITIES FOR EQUAL EMPLOYMENT OPPORTUNITY OVERSIGHT, THE JUSTICE MANAGEMENT DIVISION IS REQUESTING TWO POSITIONS AND $291,000 TO INCREASE THE EFFECTIVENESS AND TIMELINESS OF INVESTIGATIONS, AND TO ENSURE THAT THESE IMPROVEMENTS ARE SUSTAINED IN THE COMING YEARS.

IN THE PAST, THE DEPARTMENT OF JUSTICE HAS BEEN CITED BY BOTH THE CONGRESS AND THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

FOR ITS DEFICIENCIES IN THE TIMELY PROCESSING OF DISCRIMINATION COMPLAINTS. AS A RESULT, THE DEPARTMENT HAS DESIGNATED THIS AS ONE OF ITS PRIORITIES AND HAS VOWED TO SEEK NECESSARY RESOURCES TO RESOLVE THE PROBLEM. SEVERAL DEPARTMENT COMPONENTS HAVE BEEN DIRECTED TO IMPLEMENT ACTIONS TO ELIMINATE THE BACKLOG OF CASES, AS WELL AS TO REDUCE THE AVERAGE PROCESSING TIME. THIS HAS BEEN DONE BY INCREASING THE NUMBER OF FULL-TIME EEO INVESTIGATORS, AND BY CONTRACTING INVESTIGATIONS AND PROPOSED DISPOSITIONS TO PRIVATE COMPANIES. THIS HAS REDUCED THE USE OF COLLATERAL DUTY PERSONNEL WHO FORMERLY PERFORMED THESE TASKS ON A PART-TIME, VOLUNTEER BASIS.

THE ADDITIONAL RESOURCES WE ARE REQUESTING WILL ENABLE JMD TO MAINTAIN PROPER OVERSIGHT OF THE OFFICES, BOARDS, AND DIVISIONS COMPLAINTS INVENTORY, AND TO PROVIDE NECESSARY ASSISTANCE TO MEET THE DEPARTMENT'S GOALS TO ELIMINATE THE INVESTIGATIONS BACKLOG.

PRODUCTIVITY IMPROVEMENTS INITIATIVE

THE DEPARTMENT IS ACTIVELY PROCEEDING TO IMPLEMENT TOTAL QUALITY MANAGEMENT (TQM) IN COMPLIANCE WITH EXECUTIVE ORDER AND OMB CIRCULAR A-132. MEETING THE AMBITIOUS AIMS OF THIS INITIATIVE WILL REQUIRE SIGNIFICANT CHANGES IN THE WAY WE THINK AND ACT IN MANAGING THE DEPARTMENT'S PROGRAMS AND OPERATIONS.

TO ASSIST IN LAYING THE IMPORTANT GROUNDWORK FOR THIS PROCESS--AND IN PLANNING AND ORGANIZING FOR CHANGES OF THIS MAGNITUDE--WE WILL ENLIST THE ASSISTANCE OF PROFESSIONAL CONSULTANTS WHO ARE EXPERIENCED IN PROVIDING TRAINING AND

TECHNICAL ASSISTANCE IN TOTAL QUALITY MANAGEMENT. THE JUSTICE MANAGEMENT DIVISION WILL SERVE AS PRINCIPAL MANAGER AND POINT OF CONTACT FOR ALL CONSULTANT SERVICES.

SPECIFICALLY, WE ARE REQUESTING $150,000 TO IMPLEMENT THIS INITIATIVE.

FACILITIES PROGRAM 2000

THE DEPARTMENT OF JUSTICE IS REQUESTING $970,000 TO BEGIN A MAJOR FACILITIES CONSTRUCTION AND RENOVATION PROJECT THAT WILL SPAN 10 YEARS AND PARTIALLY CONSOLIDATE COMPONENTS CURRENTLY LOCATED IN OVER 50 LOCATIONS IN THE WASHINGTON METROPOLITAN AREA.

THE PROJECT CONSISTS OF TWO PARTS. THE FIRST IS OCCUPANCY OF THREE NEW BUILDINGS, WHICH ALSO ENTAILS CONSTRUCTION. THE NEW BUILDINGS WILL PROVIDE AN OPPORTUNITY TO DRAMATICALLY REDUCE THE DEPARTMENT'S PHYSICAL FRAGMENTATION AND TO RELEASE BETWEEN 17 AND 20 OF ITS CURRENT LOCATIONS. COMPONENTS FROM MOST OF THESE LOCATIONS WILL PARTIALLY OR FULLY CONSOLIDATE IN THESE NEW BUILDINGS. SAVINGS DIRECTLY ACCRUED BY THE DEPARTMENT WILL RESULT FROM REDUCED LEASE COSTS THROUGH MORE EFFICIENT DESIGN AND IMPROVED UTILIZATION OF SPACE, IMPROVED WORKING CONDITIONS, LOWER OPERATIONAL AND ADMINISTRATIVE COSTS, AND INCREASED PRODUCTIVITY DUE TO THE PHYSICAL PROXIMITY OF STAFFS.

THE SECOND PART OF THIS PROJECT IS THE CRITICALLY NEEDED RENOVATION OF THE MAIN JUSTICE AND THE HOME OWNERS LOAN CORPORATION BUILDINGS FOR IMPROVEMENT IN ENVIRONMENTAL CONDITIONS, UPGRADING OF ELECTRICAL AND COOLING SYSTEMS, AND REMOVAL OF ASBESTOS HAZARDS.

THE TOTAL ESTIMATED COST FOR ALL ELEMENTS OF THIS PROGRAM, INCLUDING BASE BUILDING CONSTRUCTION AND THE BUILDING RENOVATIONS, IS $330 MILLION TO $375 MILLION. THIS IS THE TOTAL ESTIMATED COST TO THE GOVERNMENT. THE DEPARTMENT OF JUSTICE'S SHARE OF THESE COSTS, OVER A 10 YEAR PERIOD, COULD BE AS HIGH AS $70 MILLION, BUT THIS AMOUNT IS SUBJECT TO NEGOTIATIONS WITH THE GENERAL SERVICES ADMINISTRATION.

THE $970,000 REQUESTED FOR 1991 WOULD BE USED TO DEVELOP THE DEPARTMENT'S "REQUIREMENTS PROGRAM" THAT IDENTIFIES OFFICES TO BE RELOCATED, THEIR PERSONNEL AND EQUIPMENT NEEDS, AND ANY SPECIAL FUNCTIONAL REQUIREMENTS. ADDITIONALLY, THE FUNDING WOULD PROVIDE THE CONTRACT ARCHITECTURAL AND ENGINEERING SUPPORT NEEDED TO BEGIN THE PROCESS FOR PREPARATION OF THE CONSTRUCTION DRAWINGS. PRELIMINARY ENGINEERING FOR THE SPECIALIZED SECURITY SYSTEMS WILL ALSO BE ACCOMPLISHED. THESE ENGINEERING ACTIVITIES ARE CRUCIAL TO THE DESIGN/CONSTRUCTION PROCESS.

MR. CHAIRMAN, THIS IS A SUMMARY OF OUR REQUEST FOR THE GENERAL ADMINISTRATION APPROPRIATION. I WILL BE HAPPY TO ANSWER ANY QUESTIONS YOU OR OTHER MEMBERS OF THE SUBCOMMITTEE MAY HAVE REGARDING THIS REQUEST.

DEPARTMENT OF JUSTICE
FEES AND EXPENSES OF WITNESSES
STATEMENT OF THE ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION,
HARRY H. FLICKINGER
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY AND RELATED AGENCIES

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I AM ALSO PLEASED TO APPEAR BEFORE YOU IN SUPPORT OF THE 1991 BUDGET REQUEST FOR THE FEES AND EXPENSES OF WITNESSES APPROPRIATION. THE REQUEST IS FOR $70,628,000, WHICH REPRESENTS AN INCREASE OF $14,601,000 OVER THE 1990 APPROPRIATION OF $56,027,000. THE 1991 REQUEST INCLUDES PROGRAM INCREASES OF $10,891,000 FOR THE FEES AND EXPENSES OF WITNESSES ACTIVITY, $3,310,000 FOR THE PROTECTION OF WITNESSES ACTIVITY AND $400,000 FOR PRIVATE COUNSEL.

THIS APPROPRIATION IS USED BY ALL OF THE DEPARTMENT'S LITIGATING ORGANIZATIONS FOR THE PAYMENT OF FEES AND EXPENSES OF FACT AND EXPERT WITNESSES WHO PRESENT TESTIMONY ON BEHALF OF THE U.S. GOVERNMENT AND FOR THE PAYMENT OF EXPENSES ASSOCIATED WITH COURT ORDERED MENTAL COMPETENCY EXAMINATIONS. THE APPROPRIATION IS ALSO USED BY THE U.S. MARSHALS SERVICE TO PAY THE EXPENSES ASSOCIATED WITH THE PROTECTION OF WITNESSES AND THEIR DEPENDENTS. FURTHER, APPROPRIATION RESOURCES ARE USED TO PAY RESTITUTION TO ANY VICTIM OF A CRIME THAT CAUSES OR THREATENS DEATH OR SERIOUS BODILY INJURY AND THAT IS COMMITTED BY AN INDIVIDUAL ENROLLED IN THE WITNESS SECURITY PROGRAM. IN CASE OF DEATH, COMPENSATION IS PAID TO THE VICTIM'S ESTATE. THE APPROPRIATION IS ALSO USED TO PAY THOSE EXPENSES ASSOCIATED WITH THE PROVISION OF OUTSIDE LEGAL

Legal Activities

Fees and Expenses of Witnesses

Summary of Requirements by Object Class

(In thousands of dollars)

Object Class	1989 Actual	1990 Appropriation Enacted	1991 Request	Increase/Decrease
11.8 Special Personal Services payments	$40,941	$44,829	$56,011	$11,182
21.0 Travel & Transportation of persons	11,850	12,065	12,065	...
25.0 Other Services	479	2,845	2,552	(293)
Total obligations	53,270	59,739	70,628	10,889
Unobligated balance, start of year	-4,779	-3,712	...	
Unobligated balance, end of year	3,712	...	...	
Total requirements	52,203	56,027	70,628	10,889
Relation of obligations to outlays				
Total obligations	53,270	59,739	70,628	
Obligated balance, start of year	25,950	27,472	26,076	
Obligated balance, end of year	-27,472	-26,076	-21,118	
Adjustments in expired accounts	3	...	...	
Outlays	51,752	61,135	75,586	

REPRESENTATION OF GOVERNMENT EMPLOYEES WHO ARE SUED FOR ACTIONS COMMITTED WHILE PERFORMING THEIR OFFICIAL DUTIES.

THE REQUESTED PROGRAM INCREASE OF $10,891,000 FOR THE FEES AND EXPENSES OF WITNESSES ACTIVITY WILL BE USED ENTIRELY FOR EXPERT WITNESSES. APPROXIMATELY $1.5 MILLION OF THE REQUESTED INCREASE WILL BE USED EXCLUSIVELY TO PAY EXXON-VALDEZ WITNESSES. ADDITIONAL FUNDING FOR THIS ACTIVITY IS NEEDED TO ALLOW OUR FRONT-LINE ATTORNEYS TO CONTINUE TO EMPLOY THE VALUABLE SERVICES PROVIDED BY EXPERTS WHO PREPARE AND PRESENT TESTIMONY ON BEHALF OF THE GOVERNMENT. IN AN ATTEMPT TO HOLD DOWN WITNESS EXPENSES, WE HAVE DECENTRALIZED THE EXPERT WITNESS FUND AND ALLOCATED THOSE RESOURCES TO THE LEGAL DIVISIONS AND THE U.S. ATTORNEYS. THE NEW PROCEDURE PROVIDES SPECIFIC FINANCIAL ACCOUNTABILITY AT THE USER LEVEL WHICH SHOULD RESULT IN MORE PRUDENT MANAGEMENT OF AVAILABLE RESOURCES. FURTHER, IN PAST YEARS WE HAVE HAD TO REPROGRAM FUNDING FROM OTHER ACTIVITIES WITHIN THE APPROPRIATION TO PROVIDE ADEQUATE EXPERT WITNESS RESOURCES. IN SOME EXTREME CASES WE HAVE EVEN IMPOSED MORATORIUMS ON EXPERT WITNESS SPENDING WHEREBY ONLY EMERGENCY REQUIREMENTS WERE ADDRESSED. IN SPITE OF THESE EFFORTS, THE COST OF OBTAINING THE VARIOUS TYPES OF EXPERT WITNESS SERVICES USED MOST BY OUR ATTORNEYS CONTINUES TO RISE. FOR EXAMPLE, FREQUENTLY USED EXPERTS IN HIGHLY SPECIALIZED AND/OR TECHNICAL FIELDS SUCH AS AVIONICS, BIOSTATISTICS AND HYDRODYNAMICS GENERALLY ARE IN SHORT SUPPLY, AND THEREFORE, TEND TO DEMAND HIGHER RATES OF COMPENSATION FOR THEIR WORK. MOREOVER, THE TIME NEEDED FOR OUR EXPERTS TO PREPARE THEIR TESTIMONY IS GENERALLY TIED TO THE LEVEL OF EXPERTISE ANTICIPATED IN OPPOSING

ARGUMENTS. THUS, THE INCREASING SOPHISTICATION OF THE PRIVATE BAR RESULTS IN THE NEED FOR MORE PREPARATION TIME AND SUBSEQUENTLY HIGHER EXPENSES FOR OUR WITNESSES.

OTHER FACTORS THAT CONTRIBUTE TO THE RISE IN TOTAL EXPERT WITNESS COSTS ARE THE RECENT INCREASES IN THE DEPARTMENT'S LITIGATIVE RESOURCES. SPECIFICALLY, AS ADDITIONAL RESOURCES ARE PROVIDED TO ENHANCE THE DEPARTMENT'S VARIOUS LITIGATIVE ACTIVITIES, SUCH AS THE ONGOING INVESTIGATIONS OF MANUEL NORIEGA AND THE FINANCIAL INSTITUTION INDUSTRY, THERE WILL BE A CONCOMITANT INCREASE IN THE NUMBER OF REQUESTS FOR EXPERT WITNESSES. FURTHER, ADDITIONAL EXPERTS WILL BE NEEDED TO PREPARE TESTIMONY REGARDING NATURAL RESOURCE DAMAGE CLAIMS IN THE NUMEROUS EXXON-VALDEZ CIVIL CASES THAT ARE LIKELY TO EVOLVE FROM THE ELEVEN MILLION GALLON OIL SPILL.

THE ADDITIONAL FUNDING REQUESTED FOR THE PROTECTION OF WITNESSES ACTIVITY IS NEEDED TO ADDRESS AN ANTICIPATED INCREASE IN THE NUMBER OF WITNESSES ENROLLED IN THE WITNESS SECURITY PROGRAM. SUCH AN INCREASE WILL ALSO GENERATE INCREASES IN WITNESS RELOCATIONS, CHILD VISITATIONS AND WITNESS PRODUCTIONS. FURTHER THE DEPARTMENT HAS RECENTLY IMPLEMENTED A STATUTORY AUTHORITY THAT DELEGATES THE ATTORNEY GENERAL'S AUTHORITY TO ISSUE REGULATIONS GOVERNING ADMINISTRATION OF THE PROGRAM TO THE DIRECTOR OF THE MARSHALS SERVICE. IN NOVEMBER, THE DIRECTOR EXERCISED HIS NEWLY DELEGATED AUTHORITY BY UPDATING THE PREVIOUS SEVEN-YEAR OLD DEPARTMENT ORDER THAT PROVIDES GUIDELINES ON MAINTENANCE PAYMENTS TO PROTECTED WITNESSES. IMPLEMENTATION OF THE REVISED ORDER, WHICH WILL OCCUR IN APRIL 1990, WILL INCREASE

HOUSING AND SUBSISTENCE RATES BY 17 PERCENT OVER THE CURRENT RATES. THIS ESTIMATE IS BASED ON 1989 DATA FOR THE AVERAGE SIZE FAMILY .

THE NEED FOR ADDITIONAL RESOURCES FOR THE PRIVATE COUNSEL ACTIVITY IS PRIMARILY BASED ON THE INCREASING COSTS OF RETAINING HIGHLY QUALIFIED ATTORNEYS TO REPRESENT GOVERNMENT OFFICIALS. ALTHOUGH THE FEDERAL EMPLOYEES LIABILITY REFORM AND TORT COMPENSATION ACT OF 1988 (P.L. 100-694) RESTORED TO GOVERNMENT EMPLOYEES CERTAIN PROTECTIONS FROM COMMON LAW TORTS, IT EXPRESSLY OMITTED SIMILAR PROTECTION FROM CONSTITUTIONAL TORTS. THUS, THE DEPARTMENT BELIEVES THERE WILL BE AN INCREASE IN THE NUMBER OF CONSTITUTIONAL TORT CASES BROUGHT AGAINST GOVERNMENT EMPLOYEES.

MR. CHAIRMAN, THAT CONCLUDES MY PREPARED STATEMENT. I HAVE WITH ME, JAMES RICHMOND, THE U.S. ATTORNEY FOR THE NORTHERN DISTRICT OF INDIANA AND CHAIRMAN OF THE ATTORNEY GENERAL'S ADVISORY COMMITTEE; MYLES FLINT, DEPUTY ASSISTANT ATTORNEY GENERAL FOR THE LAND AND NATURAL RESOURCES DIVISION; AND JEFFREY AXELRAD, CHIEF OF THE CIVIL DIVISION'S TORTS LITIGATION BRANCH TO ANSWER ANY QUESTIONS YOU OR THE OTHER MEMBERS OF THE SUBCOMMITTEE MAY HAVE.

FEES AND EXPENSES OF WITNESSES

Mr. FLICKINGER. If you would like, I will proceed to the fees and expenses of witnesses.

Mr. MOLLOHAN. Please proceed.

SUMMARY STATEMENT

Mr. FLICKINGER. The budget request for Fees is for $70,628,000, which represents an increase of $14,601,000 over the 1990 appropriation of $56,027,000. The 1991 request includes program increases of $10,891,000 for the fees and expenses of witnesses activity, $3,310,000 for the protection of witnesses activity, and $400,000 for private counsel.

This appropriation is used by all of the Department's litigating organizations for the payment of fees and expenses of fact and expert witnesses who present testimony on behalf of the U.S. Government. The appropriation is also used by the U.S. Marshals Service to pay the expenses associated with the protection of witnesses and their dependents. The appropriation is also used to pay those expenses associated with the provision of outside legal representation of government employees who are sued for actions committed while performing their official duties.

The requested program increase of $10,891,000 for the fees and expenses of witnesses activity will be used entirely for expert witnesses. Approximately $1.5 million of the requested increase will be used exclusively to pay Exxon Valdez witnesses. Additional funding for this activity is needed to allow our front-line attorneys to continue to employ the valuable services provided by experts who prepare and present testimony on behalf of the government.

Unfortunately, the cost of obtaining the various types of expert witness services used most by our attorneys continues to rise. For example, frequently-used experts in highly specialized and/or technical fields such as avionics, biostatistics and hydrodynamics generally are in short supply and, therefore, tend to demand higher rates of compensation for their work.

Other factors that contribute to the rise in total expert witness costs are the recent increases in the Department's litigative resources. Specifically, as additional resources are provided to enhance the Department's various litigative activities, such as the ongoing investigations of Manuel Noriega and the financial institution industry, there will be a concomitant increase in the number of requests for expert witnesses.

PROTECTION OF WITNESSES

The additional funding requested for the protection of witnesses activity is needed to address an anticipated increase in the number of witnesses enrolled in the witness security program. Such an increase will generate increases in witness relocations, child visitations and witness productions.

In November, the Director exercised his newly-delegated authority by updating the previous seven-year-old Department order that provides guidelines on maintenance payments to protected witnesses. Implementation of the revised order, which will occur in April 1990, will increase housing and subsistence rates by 17 percent over the current rates. This estimate is based on 1989 data for the average size family.

The need for additional resources for the private counsel activity is based primarily on the increasing costs of retaining highly-qualified attorneys to represent government officials. The Department believes there will be an increase in the number of constitutional tort cases brought against government employees.

I have with me, James Richmond, the U.S. Attorney for the Northern District of Indiana and Chairman of the Attorney General's Advisory Committee; Myles Flint, Deputy Assistant Attorney General for the Land and Natural Resources Division; and Jeffrey Axelrad, Chief of the Civil Division's Torts Litigation Branch to answer any specific questions you may have with regard to the Fees and Expenses of Witnesses request.

Also joining me is the gentleman from the U.S. Marshals Service, Howard Safir, Associate Director for Operations; and Mr. Eugene Coon, Chief of the Witness Security Division. They can answer any questions with regard to the Protection of Witnesses program.

With regard to the General Administration appropriation, I also ask, that Mr. Dave Milhollan, the Director of the Executive Office for Immigration Review, be here.

IMPACT OF REDUCTIONS

Mr. **MOLLOHAN**. In your statement, you mention program decreases of $3.5 million to reduce Federal spending. What expenses will you reduce in order to achieve these savings and still, as you state, have no detrimental impact on the programs?

Mr. **FLICKINGER**. The reductions impact in basically two areas. Most will be absorbed within the Justice Management Division (JMD), and within the Executive Office for Immigration Review.

Within JMD, the impact is primarily on the debt collection program, the program involving the use of private counsel. As you know, we have the five pilot districts in operation now. By the end of this current year, we will have 10 pilot districts in operation, demonstrating how private counsel can be utilized in collecting debts. What is happening is that our requirements for equipment, certain software enhancements and other related activities are not going to be as great in 1991 as might have been anticipated. In addition, we are looking at a slight reconfiguration in that program. We feel that it is probably wise to concentrate our efforts on the 10 pilot projects as opposed to considering expansion into any other areas to and try to get the best evaluation from those 10 offices that we possibly can.

The net effect of all of that is that we will have a better ability to absorb the reduction within available funds.

On the Executive Office for Immigration Review side, basically there——

Mr. **MOLLOHAN**. You will not have any decrease in the effectiveness of your collection activities?

Mr. **FLICKINGER**. It will not impact the effectiveness.

Mr. **MOLLOHAN**. How do you know that?

Mr. **Flickinger**. We are not deviating from the basic game plan. The Department, in order to evaluate the debt collection program, was to identify 10 offices. We are sticking with that game plan. We had also considered making some modifications in other U.S. Attorney offices as an additional feature to the demonstration. By not doing that, we are not jeopardizing the collection activities that are ongoing in those U.S. Attorney's Offices now. It just limits our examination, if I can put it that way, to 10 offices.

Mr. **Mollohan**. Okay.

EXECUTIVE OFFICE OF IMMIGRATION REVIEW REDUCTIONS

Mr. **Flickinger**. Now, on the EOIR side, the reduction impacts essentially on the automated case tracking system, which for all practical purposes is a completed system. There were certain enhancements, though, and I will defer to Mr. Milhollan as to what the specifics were. But there were enhancements that they will forego, again without jeopardizing the basic utility of the automated tracking system.

So, we think we can make these absorptions without any direct impact on the activity.

Mr. **Mollohan**. You are not canceling this automatic system, you are delaying it, the expansion?

Mr. **Flickinger**. Basically delaying the system, that is correct.

Mr. **Mollohan**. And do you have a planned completion date?

Mr. **Flickinger**. As I indicated, the basic system is fully operational. The expansion, I don't know if we attached a time frame to that? David?

Mr. **Milhollan**. Our system is implemented nationwide, with the exception of the Office of the Chief Administrative Hearing Officer. That is a relatively new office. It is also a small office. It is the only office that we have left to implement. But other than that, our system is implemented and extensively utilized in our 21 field offices and the Board of Immigration Appeals at Falls Church.

So, what we are talking about absorbing is simply upgrades to that system. Obviously, the hardware itself wears out. Rather than run into a situation where we have a large expenditure at one time, we had hoped to gradually replace some of the things that we have to replace eventually.

Now, in addition, there is one other facet, we will be annualizing 58 positions, which would require 26 additional workyears. We will probably not be able to furnish those positions with terminals. But we think we can also absorb that without any detriment whatsoever to the actual program.

PRODUCTIVITY IMPROVEMENT

Mr. **Mollohan**. Thank you.

You request $150,000 for a productivity improvement initiative. Could you describe that initiative a little more, how you are going to implement it, why it is necessary and to what extent consultants are going to play a role?

Mr. **Flickinger**. Yes, sir, I'll be happy to. Basically, the notion of the total quality management initiative is hard to get your hands on. The notion is that the government, particularly in providing services to the agency, has to look at not only how fast and how many widgets we can produce in any given period of time, that is, not only on the productivity aspect, but you need to look at the more qualitative aspect as well. What is the quality of that service being provided? Are you doing it faster or better? Generally, that is the concept we are dealing with.

Now, if I can give you a specific example, the Department had been criticized for some time, as had other Departments, for the processing of retirement applications. The people would retire, would not get their initial annuity check until some period of time had elapsed. This was not a satisfactory way to operate. From the retired employee's point of view, it was a bad situation.

This is an important management technique. We are able to condense that time lapse. Those are the kinds of opportunities we want to look at. Why do we use consultants to do that? Basically because, while we have some expertise within the Department that can work in this area, we do not have enough. The types of specialties that are available in academia or in the consulting field generally do an effective job.

We think by bringing in people, we can apply their skills better in the training of the people within the Department at the same time.

Mr. MOLLOHAN. Are you undertaking this as part of the initiative? If that had never come down, would you be hiring consultants to tell you how to be more efficient?

Mr. FLICKINGER. We probably should have been. We are talking about improving the way we do our business. Every Department and agency has some obligation to constantly scrutinize what it does, to see where it can do things better.

So, in general terms, whether we call it productivity improvement or whatever, it is the kind of thing that should be ongoing anywhere, not just in government organizations. So we probably would be interested in these kinds of issues.

Mr. MOLLOHAN. Thank you very much for your testimony. We have a few questions for you to answer for the record.

[The following questions were submitted for the record:]

QUESTION SUBMITTED BY CONGRESSMAN MOLLOHAN

General Administration

Program Increases

QUESTION: You request $970,000 for the Facilities Program 2000 to develop office requirements and to begin the process for preparation of construction drawings. What is the timetable for the requirements phase of this program? Don't you believe it is a little premature to request funds for architectural and engineer support when you have not even begun to determine requirements?

ANSWER: In July 1989, the Attorney General and Acting Administrator of General Services agreed upon the allocation to the Department of 350,000 square feet of space in the International Cultural and Trade Center/Federal Office Building (ICTC/FOB), 280,000 square feet of space in the Ariel Rios Federal Building, and approximately 400,000 square feet of space in a new facility. In addition, GSA plans to renovate the Main Justice Building and the Government-owned Homeowners Loan Corporation Building. Facilities Program 2000 represents the Department's strategy to consolidate a portion of its headquarters personnel, currently housed in 20 leased buildings in the Washington metropolitan area, into these five facilities. This initiative will require approximately ten years to implement fully.

The $970,000 requested for 1991 would be used for contract architectural/engineering (A/E) support to continue the development of the Department's requirements for approximately 11 of its components to be housed in either ICTC/FOB or the new 400,000-square-foot facility. The requirements phase for ICTC/FOB began in March 1990. The requirements phase for the new facility is expected to begin in July 1990. Both efforts must continue through 1991 into the design and engineering stage necessary to complete the final design.

The requirements phase as we have used it, includes space program development, blocking and preliminary engineering for specialized systems. These efforts are all necessary before an A/E contract can be awarded for preparation of construction drawings. The requirements phase will identify offices to be relocated, their personnel and equipment needs, and any special functional requirements, such as libraries, computer rooms, and conference areas. The office space required will be defined to the level of developing standard workstations, and the functional adjacencies of organizations to be housed in the space, i.e., what offices need to be next to each other, will be determined. Preliminary engineering for specialized security systems, automated data processing and telecommunications systems will also be provided.

FTS 2000

QUESTION: The Department, after many attempts, has finalized its telecommunications plans by agreeing to use FTS 2000 as its single source of long distance data communications. Will the Department be maintaining a single source for telecommunications or will it be maintaining separate networks for the Federal Bureau of Investigation, the Drug Enforcement Agency, the Bureau of Prisons, and the Immigration and Naturalization Service?

ANSWER: It is the intent of the Department to maintain a single source of telecommunications service. The Department has recently signed an order to that effect. Under the auspices of the Justice Management Division (JMD), all Departmental long distance data communications service will be centralized within the guidelines of the FTS 2000 program. The only exception permits the Federal Bureau of Investigation (FBI) to manage its own telecommunications requirements with the understanding that all actions are reported to the JMD FTS 2000 Program Management Office. The Department will, in accordance with an approved transition plan, maintain its telecommunications service under the FTS 2000 network provided by U.S. Sprint.

QUESTION: What is the justification for not consolidating all separate networks into one network?

ANSWER: As previously stated the Department intends to consolidate all of the current networks under FTS 2000 service provided by U.S. Sprint.

Case Management System

QUESTION: Justice has been trying to establish a Departmental Case Management System since 1977. Yet, each of six litigating divisions and the United States Attorneys operate unique systems which are incompatible, and the Department also operates its own case management system. Why has the Department failed for 13 years to develop a workable, Department-level case management system?

ANSWER: The Department has a Departmental Case Management System (DCMS) which extracts data from the litigating components' systems and aggregates that data on a central database. The problem with DCMS is the inability to accurately identify the cases entered into the system more than once, which is referred to as "double counting". If the dual case numbering system in the Department were changed to be a single numbering system, the double counting problem would be effectively eliminated. This is the focus of our current efforts.

It should also be noted that the extract approach used in the DCMS is the only possible approach given the diverse and independent systems operating in the litigating organizations.

QUESTION: Has the Department ever conducted a functional analysis and a requirements study to determine what kind of case management system would be needed to satisfy both component and Departmental tracking and reporting requirements? Why not?

ANSWER: A requirements analysis was conducted prior to the development of DCMS. This analysis focused solely on the information needs of Departmental management. The litigating components were adamant that their own systems satisfied their requirements.

QUESTION: When do you expect that the Department will establish a comprehensive, compatible case management system?

ANSWER: While we have concluded that a single, integrated Departmental system is not feasible, we view our current DCMS, when double counting is eliminated, as a comprehensive case management system since it will maintain information on the Department's complete litigative caseload. We hope to solve the double counting problem in the coming fiscal year.

Computer Security

QUESTION: In compliance with the Computer Security Act of 1987, the Department has identified 83 automated data processing systems containing sensitive information and developed security plans for these systems. Has the Department conducted any follow-up reviews to determine if the security plans are adequate and implemented?

ANSWER: Computer security was identified as an objective in the Department's Automated Information Systems (AIS) Strategic Plan for 1989, as well as a distinct project in the Justice Management Division's 1989 AIS Tactical Plan. One milestone in the Tactical Plan was to establish an ad hoc Computer Security Management Committee (CSMC) to review each of the 83 computer security plans. This temporary committee was established in December 1988. The ad hoc committee currently consists of five members. Individual members of the committee have prior experience with ADP mainframe, minicomputer, or microcomputer operations and/or security initiatives. Since this is an ad hoc committee, the personnel worked part-time and only reviewed each of the 83 plans for completeness prior to forwarding the plans to NIST/NSA for review in January 1988.

QUESTION: Has the Department reviewed the risk analyses and contingency plans for these systems to determine if vulnerabilities identified have been corrected?

ANSWER: The Justice Management Division and the Office of the Inspector General are currently developing the criteria for the review program that will be used. This review program will not only cover risk analyses and contingency plans, but also review the development controls, installation controls, security awareness and training, technical controls, and security measures for support systems and application systems.

QUESTION: When does the Department expect to complete its review of risk analyses, contingency and security plans?

ANSWER: It is currently planned that a representative sample of existing security plans will be reviewed during 1990. In addition, the Department is preparing to implement Office of Management and Budget (OMB) guidance, which was recently issued in draft form (OMB Bulletin No. 90-XX). If the Department had the qualified personnel and they were dedicated full time, all 83 plans could probably be reviewed in one year. However, due to the limited number of qualified and experienced personnel on board, as well as competing programmatic priorities for their skills, it could take up to three years to thoroughly review each of the 83 plans. In the meantime, new systems and security plans would be added to the list and these plans, like the initial 83 plans, will be reviewed on a priority basis.

QUESTION: What resources is the Department planning to use to accomplish these reviews?

ANSWER: Currently, the JMD plans to use the five personnel on the CSMC in a part-time capacity to review the computer security plans.

Office Automation

QUESTION: One of the most serious and often expressed automated data processing concerns is the lack of automation support for the field offices and operations. Has the Department identified the automation requirements for its field offices? If not, why?

ANSWER: The Department gives general guidance to the offices, boards, divisions, and bureaus. Field offices and operations come under the specific component governing that particular endeavor, and as such, requests for automation support would be generated from that level. The Department, however, is in the process of implementing an integrated office automation capability within the Department to achieve uniformity in the long term and interoperability in the short term. A comprehensive policy and strategy for design and acquisition of a uniform office automated system was established for the six litigating divisions of the Department, the offices of the United States Attorneys, and senior Departmental management. This policy led to a Project EAGLE contract award that provides for an integrated office automation system for use by all Departmental components, nationwide.

QUESTION: Has the Department established and published a

systems architecture that reflects the needs of the field office? If not, why?

ANSWER: Yes, the Department's Strategic Plan for Automated Information Systems, supplemented by the Department's components Tactical Plans, outlines a Department-wide structure to meet the needs of all levels. The architecture is defined as Departmental data and telecommunications facilities operating in conjunction with distributed systems at the component level, e.g., EAGLE, AMICUS, and the FBI's FOIMS System. The Project EAGLE's systems architecture provides for the needs of both headquarters and field office elements. The architecture, consisting of intelligent workstations and other peripherals linked to file servers, provides for a great deal of flexibility to meet the differing needs of the Departmental components, as well as the headquarters and field office environments.

QUESTION: Has the Department established micro-computer standards for field offices? If not, why?

ANSWER: The Department develops and periodically updates micro-computer standards for the Department as a whole, while components initiate their program-particular standards based on varying needs and missions. The Project EAGLE system represents the Department's office automation standards.

QUESTION: Has the Department established a requirements contract to provide micro-computers and software for field offices? If not, why?

ANSWER: Yes, the scope of the Project EAGLE contract allows any Departmental component the ability to acquire full-featured office automation capabilities. The contract provides the Department with the ability to both upgrade the office automation environment and increase compatibility and interoperability while moving towards uniformity. All office automation functional requirements are covered by this contract, including word processing, data base management, telecommunications (including access to dial-up services and mainframe applications), and electronic mail.

Department ADP Policy

QUESTION: The Systems Policy Staff of the Justice Management Division has been assigned the primary responsibility for policy development, coordination, and oversight for Information Resources Management functions. Where is this staff function located in the organizational structure?

ANSWER: The Systems Policy Staff is a staff directly under the Assistant Attorney General for Administration (AAG/A), who is also the Designated Senior Official (DSO).

QUESTION: Does the Systems Policy Staff have access to the Attorney General?

ANSWER: Yes, through various channels including through the AAG/A-DSO, as well as through the Attorney General's staff.

QUESTION: Does the Systems Policy Staff conduct technology reviews and assessments, including field reviews of component agencies? If no, why not?

ANSWER: While fully supporting the concept, the Systems Policy Staff does not have a formal schedule for technology reviews and assessments including field reviews of component agencies. Such reviews and assessments are undertaken on an ad hoc basis dependent upon program priorities, staff resources, and time constraints, as well as other temporal factors that would have to be considered to do so. Component's strategic and tactical plans, as well as acquisition lists, are carefully reviewed by the Systems Policy Staff, in coordination with the Computer Technology and Telecommunications Staff and the Legal and Information Systems Staff. Technology issues which surface as a result of those reviews are addressed with the components.

QUESTION: A General Accounting Office report in 1986 noted that the Department's organizational structure failed to give the official responsible for Information Resources Management (IRM), the authority or control necessary to plan for these information resources. What measures have been taken to give sufficient authority to the senior IRM for him to do his job?

ANSWER: The Assistant Attorney General for Administration, as the DSO, sets the policy and gives guidance to the various offices, boards, divisions, and bureaus (OBDB) of the Department regarding information resources management and planning. Each OBDB has a designated IRM contact(s) who works with the Systems Policy Staff to plan and implement information resources management.

QUESTION: The Paperwork Reduction Act requires the senior Information Resources Management (IRM) official to report directly to the agency head. Does the senior IRM official for Justice report directly to the Attorney General? If not, why not?

ANSWER: Yes, the Assistant Attorney General for Administration reports directly to the Attorney General.

QUESTION: Under Departmental regulations, all components are required to obtain pre-acquisition approval from the Assistant Attorney General for Administration for all Automated Data Processing (ADP) acquisitions in excess of a given cost threshold. In 1987, the Assistant Attorney General approved a $2 billion, 8-year program which is so general that it is difficult to determine if some ADP

acquisitions were originally intended for inclusion under the approval. Why did the Assistant Attorney General approve such a broad scoped and general list of projects rather than requiring annual approval of proposed ADP acquisitions?

ANSWER: The FBI has in place a highly-structured, centralized automated information system (AIS) management and planning program. In an attempt to plan efficiently and effectively for the acquisition of the necessary AIS resources needed to support the FBI's distributed data processing environment, the FBI prepared a Comprehensive Advanced Systems Expansion (Case) Project. This Project, totaling $2 billion, identified projected acquisition expenditures needed to support the FBI's existing Headquarters Computer Center (HQCC) and the FBI's two existing Regional Computer Support Centers (RCSC's). In addition, Project Case addresses future AIS resources needed to support three additional proposed RCSC's.

The Department reviewed the documentation relative to Project Case and partially approved the FBI's request only for those planned acquisitions needed to support the FBI's existing HQCC and two RCSC's. The Department's approval was consistent with the Delegation of Procurement Authority (DPA) obtained by the General Services Administration (GSA). The approval was for a total of $194,604,350 versus the requested $2 billion. In addition, a detailed list of those items approved was delineated in the DPA and AIS approvals. The list specifically identified the acquisitions approved under Project Case. Approval was granted only for those items identified in the DPA/AIS approvals. Any additional requirements outside the scope of Project Case and/or above the FBI's AIS threshold must be submitted to the Department for approval. To ensure that the FBI is monitoring and controlling Project Case, the Department has requested that the FBI provide a detailed list of those acquisitions acquired to date under the approval of Project Case.

Overall, the Department and the FBI have worked closely together to ensure that the terms and conditions of Project Case are followed accordingly.

QUESTION: What mechanism does he have in place to ensure that all planned ADP acquisitions by the FBI are reviewed and approved prior to being procured?

ANSWER: The FBI has a $250,000 threshold with conditions that each acquisition supports their long-range automation strategy. Every six months, the FBI must provide to the Systems Policy Staff (under the auspices of the AAG/A) a list of acquisitions below the threshold. Acquisitions above the threshold are submitted through the AIS program in the preprocurement phase. The threshold is intended to address unanticipated AIS requirements which could not be planned for, but are nevertheless necessary to meet critical operational needs, as well as to ensure that the FBI has the flexibility and discretion to acquire the necessary support to maintain a major AIS program. The approval is not meant as an alternative to good planning and management. To ensure that AIS acquisitions support the Department of Justice Strategic Plan for Automated Information Systems as well as the FBI's Strategic and Tactical Plans, all of the FBI's AIS acquisitions must be coordinated by the FBI's Senior Official for Information Resources Management.

Department Data Centers

QUESTION: The Department just completed a costly move and upgrade of its Washington and Dallas data centers. We understand that the Federal Bureau of Investigation is now planning to build a data center at Vint Hills, VA. Has the Department examined the technical and economic benefits of consolidating the Washington and Vint Hills data processing operations? If not, why not?

ANSWER: In 1986, the Department reviewed the feasibility of co-locating the Washington data center with the FBI's proposed facility at Vint Hill Farms Substation in Fauquier County, VA. At that time, the need to relocate the Washington data center due to the severe space constraints and environmental problems was so demanding that it was determined that the Washington data center move could not wait for the completion of the Vint Hill Farms facility. The technical and economic benefits were reviewed during 1986 and it was decided to proceed with the relocation of the Washington data center due to the long lead time for completion of the Vint Hill Farms facility. The Washington data center relocated to a General Services Administration leased facility in Rockville, MD, during September 1989. The lease will extend through 2005.

QUESTION: What are the actual or planned costs for the three separate data centers?

ANSWER: The Dallas and Washington (Rockville) data centers are operated on a cost reimbursable basis. The Washington (Rockville) data center, with central site support, is operated with 112 workyears and has an annual operating plan of $41 million. The Dallas data center is operated with 24 workyears and has an annual operating plan of $10 million. The Justice Management Division (JMD) is currently working with the Drug Enforcement Administration to provide computer processing support for its EPIC center in El Paso, TX, in order to reduce the overhead of yet another data center in this Department's inventory. The FBI, in an August 1989 expansion study, estimated construction costs associated with a combined Headquarters Computer Center and Mid-Atlantic Regional Computer Support Center at Vint Hill Farms Station, VA. This study is currently under review by the Office of Management and Budget.

QUESTION: Are there any technical reasons to justify the operations of three different data centers?

ANSWER: The FBI and JMD requirements for security differ. The FBI's requirement is to process classified information while the JMD centers currently process only at the agency sensitive level. The regulations concerning the security of computer systems dictate that the facility and computer system security level is determined by the highest level of any computer system application which is processed by the systems in the facility. In the area of contingency, the separation of information across multiple data centers reduces the vulnerability of a single incident rendering the total Department without any mainframe data processing capability. The single incident could be from a natural or human caused disaster. Further, the FBI's Field Office Information Management System (FOIMS) itself will require multiple computer support centers. This requirement is based on the need for continuity of operations should one or more center fail or become inoperable and to provide sufficient computing capacity required to support the FOIMS operating environment.

QUESTION: Have any cost benefit analyses been completed that compare the cost of the present mainframe operations to benefits of a shared facility? If not, why not?

ANSWER: No thorough cost benefit analysis has been completed that concerns the FBI and JMD sharing a joint facility. While it appears on the surface to represent potential cost savings, the FBI's requirement for a secure environment (to protect sensitive computer systems and telecommunications) precludes the establishment of a joint FBI/JMD facility unless significant logistical obstacles are overcome.

Reorganizations

QUESTION: The Department of Justice is required to submit an advance notification to the Appropriations Committees whenever funds are to be obligated for the relocation or reorganization of offices. In addition, Section 105 of the 1989 Supplemental Appropriations Act states that no funds in that or any prior act shall be available for obligation to relocate, reorganize, or consolidate any office under the jurisdiction of Justice.

The Immigration and Naturalization Service (INS) is consolidating offices in the Dallas area from three to one leased building. In 1989, the move cost $432,000 including alterations. The newly leased building in the Dallas area provides more space than in the three buildings where INS was housed. The increase is 30,719 square feet, and the annual rent increase is about $280,000.

The General Counsel for Justice concluded that the Dallas move was an "ordinary" move within one locality that did not require notification to the committees. However, in an earlier move involving the consolidation of the United States Marshals and the Drug Enforcement Administration in the Washington, D.C., area to a Pentagon City building, notification was sent to the Committees.

What is the rationale for reporting the Washington, D.C., area move and not the Dallas INS move? The $432,000 of 1989 expenditures was charged to the INS Administrative Services Program and the base for this program was exceeded by more than $250,000. Therefore, why did Justice not send a reprogramming notice to the Appropriations Committees?

ANSWER: In accordance with Section 606 of the Appropriations Act, the Department notifies the Appropriations Committees of both Houses of Congress of reprogrammings which meet the reporting threshold. In September 1989, the Department learned that the Southern Region of INS had started the first phase of a move affecting the Southern Regional Headquarters and that the cost of the move was estimated to be between $700,000 and $900,000. Because the estimated cost of the move exceeded the notification threshold, the Department stopped the move in progress and enjoined the INS from continuing it until proper notification of the Congress of a reprogramming could take place.

With respect to the assertion that "the General Counsel for Justice concluded that the Dallas move was an 'ordinary' move within one locality that did not require notification to the committees," see the answer to the following question.

QUESTION: Would the General Counsel have ruled differently if he had been aware that the $432,000 expended in 1989 funds caused the INS Administrative Services Program to be exceeded by more than the $250,000 threshold for reprogramming?

ANSWER: The Office of General Counsel (OGC), Justice Management Division, sent a memorandum to the Assistant Attorney General for Administration, in response to his request for OGC's opinion on the meaning of the restriction contained in section 105 of the 1989 Supplemental Appropriations Act. The OGC did not rule on the Dallas INS move.

QUESTION: What is the justification for acquiring an additional 30,719 square feet of space for INS in the Dallas area?

ANSWER: Although INS requested an additional 30,719 square feet of space as part of the relocation action, this additional space was denied, and space usage of 94,000 square feet was approved. It was directed that the additional 30,719 square feet be outleased. Approximately

20,000 square feet has already been outleased to the Dallas Bank Fraud Task Force. INS is in the process of reviewing their space needs for the Regional Office in Dallas, Texas. When the reassessment is complete, the Department will forward the relocation notification to the Congress. After approval of the relocation action has been received, INS will be allowed to finish the relocation of the Southern Regional Office in Dallas, Texas.

QUESTION: Was the lease award for the new building coordinated with the lease expiration dates for the three buildings that were vacated by INS? As a result of the move, how much rent was paid for vacant space in the new building or in the three vacated buildings?

ANSWER: The General Services Administration made the effort to coordinate the lease expiration dates for the three buildings with the new lease. The lease for the new Southern Regional Office was awarded during a period when cancellation privileges on the existing leases could be exercised. Redesign of the space in the Southern Regional Headquarters building is continuing, and INS has organized the move to minimize any rent paid on vacant space.

No-Year Funds

QUESTION: The Federal Bureau of Investigation (FBI), Drug Enforcement Administration (DEA), and Immigration and Naturalization Service (INS) each obtain funding from annual Salaries and Expenses appropriations that also includes some no-year and 2-year funds. The records show that these three organizations carried forward unobligated no-year funds each year for 1984 through 1988. The FBI generally included carryover in its estimates for the budget year. However, DEA and INS did not include any carryover in the budget estimates. The exclusion of estimated carryover of unobligated funds from the budget year in effect overstates needed budget authority.

Two other Department of Justice no-year appropriations also did not show carryover in the budget year, those for the Office of Justice Programs and Support of United States Prisoners. For these, the total carryover of unobligated funds for 1984 through 1988, averaged approximately $64 million each year.

Why does Justice show the estimated carryover of unobligated prior year funds in the budget year for the FBI and not for DEA, INS, Office of Justice Programs, and Support of United States Prisoners?

ANSWER: DEA--At the beginning of each fiscal year, DEA performs an intensive analysis of financial needs and develops an internal financial plan that addresses these needs and utilizes all available resources to satisfy them. While DEA holds nothing in abeyance and plans to fully utilize all available resources in each fiscal year, there are frequent systemic or processing problems that preclude the completion of major equipment or contractual acquisitions during the budget year. This situation then requires the carryover of unobligated funds from the budget year into the next fiscal year.

INS--INS has not included the estimated carryover of unobligated prior year funds since these funds have been predominantly related to construction projects funded with "no-year" appropriated resources. Construction projects generally progress at different rates which are related to size and/or complexity, resulting in considerable variation in the timing of obligations.

For this basic reason carryover has not been estimated for use in budget year estimates since project-related variation would make the estimate unreliable.

OJP--The OJP appropriation is largely made up of State and local grant programs, as opposed to salaries and expenses. For that reason, OJP is unable to predict almost a year in advance either how much money will be unobligated at the end of the year, or in which programs the unused balances will exist.

SUSP--The estimated carryover of unobligated prior year funds has not been shown in budget estimates for the Support of United States Prisoners (SUSP) appropriation because of the difficulty in accurately predicting the amount that will be carried forward in any given year.

Prior to 1988, all unobligated balances brought forward in the SUSP appropriation were Cooperative Agreement Program (CAP) funds. The carryover of CAP funds is due mainly to the unpredictability of when State and local entities will actually sign cooperative agreements with the United States Marshals Service, thereby accepting renovation or construction funds in exchange for guaranteed bedspaces for Federal prisoners. The timing of the State or local signature often depends on action by the State or local legislative body and/or on completion of the State or local entity's own portion of the financing for the construction project, both of which are difficult to predict. If a CAP agreement is not signed by the State or local entity by the end of the fiscal year, the funding for it is carried over into the next fiscal year.

The carryover of CAP funds is also caused to a lesser extent by recoveries of prior year obligations, which occur when signed CAP agreements fall through and the funds cannot be reobligated prior to the end of the fiscal year.

In 1988 and 1989, the unobligated balances brought forward included both CAP funds and funds for the Care of United States Prisoners (CARE). The carryover of CARE funds is, again, the result of unpredictability. Obligations for CARE are dependent on many variables, such as the number of pre-trial detainees, the jail day rates charged by

State and local facilities, and the length of prisoners' stay in these facilities. At the time budget estimates are prepared, information on CARE expenses in the current year has not been sufficient to accurately predict carryover into the budget year.

QUESTION: It is realistic to assume that all no-year funds will be obligated in the budget year and none carried forward when the history of these accounts show otherwise?

ANSWER: DEA--DEA enters every fiscal year assuming full obligation of all available resources. No carryover is planned and only occurs when major purchases cannot be accomplished within the fiscal year. Therefore, it is reasonable to assume that DEA will make every effort to fully obligate all available resources and only carryover those funds which are absolutely necessary to complete work begun during the budget year.

INS--Given the nature of the construction projects funded with "no-year" resources, an estimate of carryover for construction projects could be viewed as unrealistic in view of the factors which can influence the timing of obligations in the various phases of construction.

The solution may be in the establishment of a formula for estimating carryover which recognizes certain timing factors by size and type of construction project.

OJP--At the start of a fiscal year, it is realistic to assume all available funds will be obligated. Factors that affect the obligation of funds do not arise until the year progresses. For instance, it is generally not known until late in the fiscal year that a particular State will not participate in the Juvenile Justice formula grant program. More importantly, circumstances may delay a State's application for formula grant funds until the following year. The State and local grant programs were established in a no-year account specifically to accommodate this type of problem. While it is true that there are typically unobligated balances carried over from the current year to the budget year, any estimate would have to be identified by specific program. These carryover balances vary for an individual program from year to year. Lacking sound information, it would be irresponsible to estimate a significant unused carryover balance that may not materialize, particularly when such an action could wrongly influence Congressional budget deliberations and result in an offsetting reduction for that program.

SUSP--Although the assumption of no carryover funds into the budget year is not completely realistic, given the fluctuation in the amount of carryover funds from year to year and the SUSP appropriation's frequent supplemental requirements, the Department feels it is more appropriate to assume no carryover funds rather than to assume an arbitrary amount.

QUESTION: To what extent did the carryover of each agency in 1986, 1987, 1988, and 1989 represent actual unmet requirements also carried over from the prior year and "free" funding no longer tied to prior year needs?

ANSWER: DEA--Since DEA's only carryover is for equipment and contractual requirements that could not be acquired during the budget year, all carryover is for specific prior year needs that still exist in the following fiscal year.

INS--In all instances carryover was related to actual requirements. Carryover in 1988 was part of the two-year supplemental appropriation for the implementation of the Immigration Reform and Control Act of 1986. In other years it was "no-year" funding specifically tied to construction activity. A small amount of carryover also occurs in the Research and Development program. This remains tied to this activity by specific appropriation language.

OJP--Carryover balances brought forward from one year to the next are generally from two sources: 1) unobligated funds from the current year appropriation and 2) recoveries from obligations incurred in prior years. During the years addressed, one exception to these types of balances was the Emergency Assistance Program, for which funds from the 1986 availability were carried over each year from 1986 through 1989, due simply to the receipt of few eligible applications for assistance. The bulk of OJP's end-of-year unobligated balances are from the current year appropriation. These resources are simply not obligated before the fiscal year expires, for a variety of reasons. For instance, the States may not have submitted their grant applications before the year-end or in sufficient time to allow the completion of administrative and/or financial reviews. This was the case for the Anti-Drug Abuse formula grant program in 1987, which was the first year of funding for the program. In that year, over $30 million for 12 States was included in the carryover balance, representing 65 percent of the balance. Those funds were then awarded at the start of 1988. In 1989, the end-of-year carryover balance included $7.6 million for Juvenile Justice formula grants, which represented 1988 and 1989 allocations for 16 States and Territories. These grants which will have been awarded this fiscal year, were for the most part, delayed due to new jail removal compliance regulations and the necessity to await the receipt of information from the States in order to determine compliance with the regulations and thereby confirm the State's eligibility to receive funds. In accordance with the Juvenile Justice and Delinquency Prevention Act, formula grant State allocations that are available because of non-participation in the program are made available directly to localities as discretionary funds. This process is typically lengthy and would result in a grant award at least one year following appropriation. Agency-wide, most discretionary funds must go through a process leading up to grant awards or contracts. Program priorities are established and program plans are developed. During this process, other Justice Department bureaus and other Federal agencies are frequently consulted to ensure appropriate coordination. The programs are then publicly announced and some programs are statutorily required to allow for a period of review, comment, and recommendation from State and local governments, public and private agencies before the plan becomes final. Applications are then solicited, in most instances, competitively. Upon receipt, the discretionary grant applications must undergo numerous programmatic and financial reviews by the program offices. The applications must also pass through peer reviews, administrative reviews, civil rights and equal employment opportunity program reviews, and financial reviews that address the applicant's financial capability, fiscal integrity audit resolutions, and the project's budget and indirect costs. Throughout this process, negotiations with applicants are frequently required. Contracts must also go through the process of request for proposals, review of proposals, and negotiation prior to awarding the contract. The foregoing information provides insight into some of the extensive, involved procedures that are necessarily followed and some of the problems that are encountered in administering OJP's grant programs. Although unobligated funds exist at year-end, most of the resources are committed and are merely pending award.

SUSP--The majority of carryover funding into 1986, 1987, and 1988, being CAP funding, was associated with agreements initiated in the prior years and was, therefore, not free for use to meet other current year needs. The majority of carryover funding into 1989 was CARE funding and was available to meet increased expenses for the care of prisoners in 1989.

Reprogrammings

QUESTION: The Department of Justice issues annual detailed budget execution instructions for its organizations to follow in managing resources and for notifying its administrative office of reprogrammings which meet Congressional criteria. Reprogramming requests are reviewed by the Office of the Assistant Attorney General for Administration and the Office of Management and Budget (OMB) before transmittal to the appropriate Congressional Committees.

Justice's budget execution instructions state that July 1 is the deadline for submitting reprogramming notices to the administrative office and September 1 is the deadline for notifying the Appropriations Committees. In effect, individual organizations have to submit proposed reprogramming requests to the administrative office 90 days before the end of the fiscal year. In order to meet

the July 1 deadline, some organizations start working on reprogramming as early as March.

The Committees and OMB have separately criticized Justice for filing reprogramming notifications late in the fiscal year after the reprogrammings have occurred. Despite the criticism, Justice sent six reprogramming notices to be Committees in September 1989.

Has Justice revised its procedures so as to comply with the law and submit reprogramming notices to the Committees no later than September each year?

ANSWER: The Department issued guidance in the 1990 BUDGET AND PROGRAM EXECUTION CALL that stipulates notification is required at least 90 days prior to the end of the operating year. To ensure that the Department meets this 90-day deadline, if upon review of expenditures it is determined that a reprogramming is necessary, the Assistant Attorney General for Administration may request that a reprogramming be submitted to the Department within 30 days.

QUESTION: Why do reprogramming notices have to be prepared 90 days before the end of the fiscal year? Can Justice reduce this 90-day lead time?

ANSWER: Reprogramming notifications must be submitted to the Congressional Committees by September 1. In order to meet this deadline, reprogrammings need to be prepared 90 days prior to the end of the fiscal year in order to give sufficient time to all organizations reviewing them. Following is the time sequence for that review process:

1. To the Congressional Committees by September 1;
2. If effective on September 1, to the Congressional Committees 15 days prior;
3. To the Office of Management and Budget (OMB) 15 days prior;
4. To the Department 15 days prior;
5. 15 days slippage.

The Department is also mindful of the fact that Congress is normally in recess for the most of the month of August and the Executive Branch review is often delayed because of examiner/analyst leave. In reality, in order for the 15-day clock to run while the Congress is in session, the Department needs to get the reprogrammings to the Committees before August 1, if possible. This makes a 90-day lead time insufficient in many cases.

QUESTION: Given the 90-day lead time established by Justice's instructions, are reprogrammings identified in the last 3 months of the fiscal year ever reported to the Committees?

ANSWER: Yes, the Committee received six major reprogrammings for 1989 from the Department in the month of September 1989. All six of the reprogrammings included actions that became known in the last three months of the fiscal year. There is however, a significant problem in reprogrammings that are not planned but simply develop as a result of operations. For example, if the Drug Enforcement Administration begins what appears to be a domestic investigation that later turns out to have significant foreign ramifications, this investigation may be reclassified as a special enforcement operation. Should this case be significant, it will breach the reprogramming thresholds and, if it occurs late in the fiscal year, will not be able to be reported to Congress by September 1. Since these kinds of changes occur frequently and unnecessary reprogramming notifications are to be avoided, the need for notification is often not identified until late in the fiscal year.

QUESTION: What procedure or instruction has Justice established for processing reprogrammings that are identified late in the fiscal year?

ANSWER: The Department has revised the budget execution process in order to surface reprogramming needs earlier in the fiscal year. In addition, four weeks prior to the July 1 deadline, the Director, Budget Staff, will notify by memorandum all appropriate organizations of the need for a reprogramming; two weeks prior to the July 1 deadline the Deputy Assistant Attorney General, Controller, will notify by memorandum all appropriate organizations of the need for a reprogramming submission; and on July 1 the Assistant Attorney General for Administration will notify by memorandum the appropriate organizations that they have missed the July 1 deadline, and request immediate submission of the reprogramming request. Except in urgent or emergency circumstances, the AAG/A will not consider revisions requiring Congressional notification within 90 days of the end of the operating year.

QUESTIONS SUBMITTED BY MR. MOLLOHAN

Fees and Expenses of Witnesses

QUESTION: Why does the cost of experts continue to escalate?

ANSWER: Expert witness costs are escalating most dramatically in many new, non-traditional disciplines associated with environmental protection, bank fraud and medical malpractice. Rate increases, and subsequently higher overall costs, are an unfortunate by-product of the prevailing market condition of under-supply for growing demand. In many cases, we find that we are competing directly with opposing counsel to hire qualified experts from a pool of a mere dozen potential experts nationwide. The issues in these cases are at the forward edge of both science and technology. In some of these new disciplines, which include groundwater migration modeling, geomorphology, economic modeling and genetic engineering, the number of sufficiently qualified experts is so small and the demand so great that most witnesses are in a position to demand unusually high fees. Subsequently, the deep-pocket corporations and high-profile law firms who are able to pay such fees, force the Department into bidding wars for top-notch experts. A primary example of this kind of situation occurred in our search for witnesses for the Exxon-Valdez case. When we began contacting potential witnesses, we found that Exxon Corp. had already retained two Nobel-prize laureates in economics, and the State of Alaska had contacted yet another.

Further, the number of hours worked per expert is increasing, especially in the most technical and highly sophisticated areas of litigation. This is due to the continuing increase in complexity of the factual issues presented in our cases and to the increased sophistication of opposing counsel, whose carefully crafted arguments must be rebutted with equal care.

QUESTION: Have you examined any alternatives for holding these rates down?

ANSWER: As in previous years, we continue to stress to our field attorneys the need for prudence in their negotiations with potential witnesses. In some cases involving less complicated issues, this may mean accepting a witness who is less qualified than their first choice.

One major new initiative we have undertaken just this year is the allocation of expert witness funding to the individual user organizations. Previously, these resources were vested in a central fund and withdrawn on a first come, first served basis. However, the new structure allows for better management of available funding by establishing financial accountability at the point of witness contact.

QUESTION: What would be the effect if Congress imposed ceilings on the rates that could be paid to experts? Would they refuse to be experts for the Government? Would they accept the lower level?

ANSWER: Unless Congressionally-imposed ceilings applied equally to the private bar, such ceilings would be very detrimental to the Department's litigative efforts. Specifically, if only the government was required to operate within statutorily established ceilings, we would not be able to compete with the private bar for the best qualified experts. In time, because the more highly qualified witness would not lower their fees to work for the Government, the Government's pool of acceptable witnesses would shrink, leaving us to choose from a less qualified population of candidates. Accordingly, the effectiveness of our litigation would diminish since judges and juries tend to give greater credence to the testimony of lettered experts who can explain complex matters in simple terms. To attract and hire such experts, the private bar would merely need to spend a few dollars more than the mandated ceiling. Expert witness rate ceilings could potentially generate some short-term savings for the Fees and Expenses of Witnesses appropriation, but they would be more than offset by long-term losses to the Judgement Fund.

QUESTION: Can you provide specific examples where cases were impacted due to funds not being available for expert witnesses?

ANSWER: In the midst of trial preparation for Daewoo, a multi- million dollar customs fraud case, a moratorium was imposed on new expenditures for expert witnesses. To successfully prosecute this case, Civil Division attorneys required the services of a reputable accounting firm that was capable of quickly mastering volumes of complicated financial data, and that was also experienced in trial presentations. Threatened with the possibility that sufficient funds would not be available to acquire these services, the lead trial attorney prepared to accept a less than favorable settlement offer. Fortunately, at that particular time, we were able to defer certain lower priority expenditures to ensure that sufficient funds would be available for Daewoo. Subsequently, the Department was able to hire its witness and proceed in the litigation with a much stronger case. As a result, the Government was awarded $34 million in a pre-trial settlement. Without sufficient funding for the required expert witness in this case, the Government would have forfeited millions of dollars in Treasury collections.

THURSDAY, MARCH 15, 1990.

U.S. TRUSTEE SYSTEM FUND

WITNESSES

JOHN E. LOGAN, ACTING DIRECTOR AND COUNSEL, U.S. TRUSTEES

DAVID M. McCRACKEN, ACTING BUDGET OFFICER, U.S. TRUSTEES

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

OPENING REMARKS

Mr. MOLLOHAN [presiding]. The Committee will come to order.

We will now hear testimony concerning the United States Trustee System, which requests new budgetary authority of $65,673,000 for fiscal year 1991, to be derived from the fees collected into the fund. We will insert into the record at this point the fiscal year 1991 budget justifications for this request.

[The justifications follow:]

Department of Justice

Legal Activities

United States Trustee System Fund

Table of Contents

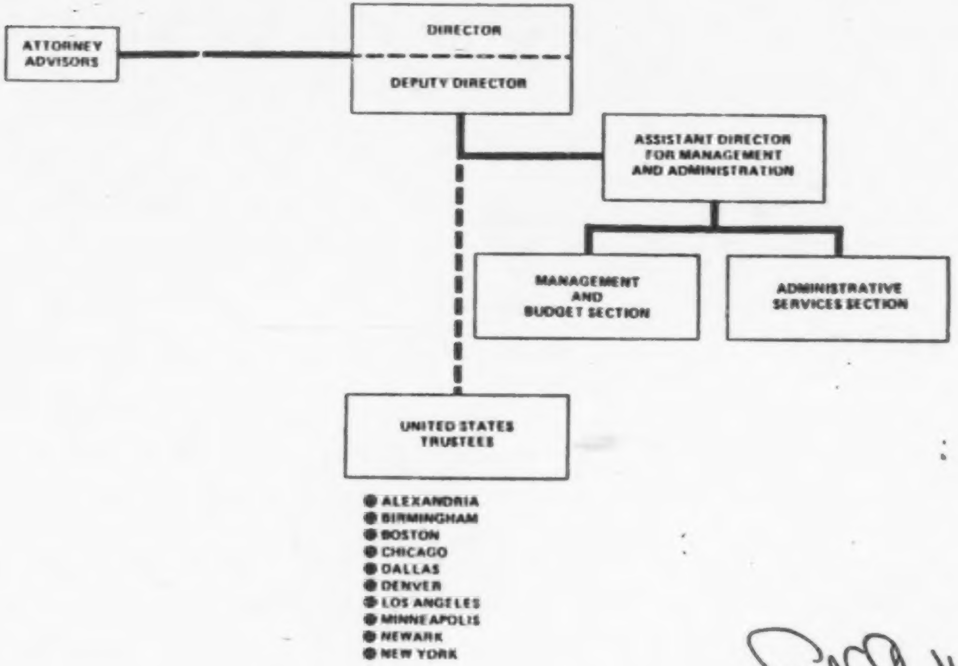
Page Number

Organization Chart 1
Summary Statement 2
Justification of Proposed Changes in Appropriation Language 4
Crosswalk of 1990 Changes 5
Summary of Requirements 6
Summary of Resources by Program 7

Justification of Program and Performance

Administration of Cases 8
Management and Administration 11
Financial Analysis - Program Changes 15
Priority Ranking 16
Detail of Permanent Positions by Category 16
Summary of Change 17
Justification of Adjustments to Base 18
Summary of Requirements by Grade and Object Class 24
Consulting and Related Services 26

UNITED STATES TRUSTEES


ATTORNEY ADVISORS
DIRECTOR
DEPUTY DIRECTOR
ASSISTANT DIRECTOR FOR MANAGEMENT AND ADMINISTRATION
MANAGEMENT AND BUDGET SECTION
ADMINISTRATIVE SERVICES SECTION
UNITED STATES TRUSTEES
ALEXANDRIA
BIRMINGHAM
BOSTON
CHICAGO
DALLAS
DENVER
LOS ANGELES
MINNEAPOLIS
NEWARK
NEW YORK

Approved: Edward C. Schmults
Edward C. Schmults
Deputy Attorney General

Date: 2 JUN 1981

Legal Activities

United States Trustee System Fund

Summary Statement

Fiscal Year 1991

In 1991, the United States Trustee program is requesting a net program increase of $970,000. With this increase, the program will reach a resource level of $65,673,000, 929 positions and 913 workyears. Our program enhancement addresses a critical oversight aspect of the program, and because of the revenue generation features of the U.S. Trustee System Fund, the implementation of this initiative can be funded at no cost to the public fisc.

The initiative contained in this request is for additional funding to expand the U.S. Trustees program of audits of the Chapter 7 panel trustees. Consistent with the Attorney General's policy goals and management objectives, the highest priority of the UST program is the upholding of standards of integrity and accountability throughout the bankruptcy system.

ADMINISTRATION OF CASES

The Administration of Cases program involves the oversight of bankruptcy cases administered in federal judicial districts under Public Law 99-554. Through this decision unit, 88 of the nation's 94 federal judicial districts are served by 21 U.S. Trustees operating through 88 offices. The remaining six judicial districts will by existing statute be brought into the program no later than October 1, 1992.

The U.S. Trustee program will continue to emphasize its Congressional mandate to prevent fraud, dishonesty and overreaching in the bankruptcy arena. In addition to the aggressive monitoring of fees charged by bankruptcy practitioners and vigilant oversight of case trustees, procedures for referring criminal cases and matters to the U.S. Attorneys, Federal Bureau of Investigation (FBI) and state and local law enforcement bodies will be strengthened.

MANAGEMENT AND ADMINISTRATION

The U.S. Trustee program requires centralized policy guidance, coordination and administrative support. These functions are provided through the Management and Administration decision unit. Program-wide legal and administrative policies are established and monitored by the Director and Counsel, who provides guidance and support through the General Counsel's staff, Policy and Planning staff, Oversight and Compliance staff, Office of the Controller, and administrative, personnel, automation and other support services through the Executive Officer's staff.

Audits of Trustees. One of the most critical responsibilities of the UST program is the ongoing audits of private trustees. Additional funding of $1,000,000 is requested for this function in 1991. These audits are necessary to verify that the assets of bankruptcy estates are maintained in compliance with applicable laws and regulations. The objectives of the audits are to determine: (1) the adequacy of the trustee's internal controls over bankruptcy estate cash; (2) the accuracy of cash records; (3) compliance with applicable laws and regulations; and (4) adequacy of the trustee's bond level.

The greater the frequency of these audits, the greater the integrity of the system and,therefore, the lower the opportunities for misappropriation and criminal activities. Moreover, because the program is relatively new, there are numerous trustees who have never been audited and may not be for several years. At the current base level for the audit function, it will take another four years to audit each of the 1,600 chapter 7 panel trustees. With the funding requested, the program will be able to contract for these audits every three years.

Through the efforts of our program significant instances of improprieties have been discovered. In Santa Rosa, California, a former chapter 11 and chapter 7 trustee embezzled estate funds of $1,900,000 from cases under his administration. In Cedar Rapids, Iowa, a chapter 7 panel trustee embezzled estate funds of $741,000 from 52 cases under his administration. Furthermore, the reconstruction of case files and financial documentation resulted in criminal referrals for misappropriation of bankruptcy assets of 18 additional trustees.

Legal Activities
United States Trustee System Fund
Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in the appropriation language for the U.S. Trustee System Fund listed and explained below. New language is underscored, and deleted matter is enclosed in brackets.

United States Trustee System Fund

For the necessary expenses of the United States Trustee Program, [$60,729,000] to remain available until expended and to be derived from the Fund, for activities authorized by section 115 of the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (Public Law 99-554): Provided, That deposits to the Fund are available in such amounts as may be necessary to pay refunds due depositors. $65,673,000

(12 U.S.C. 1904b; Department of Justice Appropriations Act, 1990; additional authorizing legislation to be proposed).

Explanation of Change
No substantive changes proposed.

Legal Activities
United States Trustee System Fund
Crosswalk of 1990 Changes
(Dollars in thousands)

Bankruptcy Matters	1990 President's Budget Request			Congressional Appropriation Actions on 1990 Request			1990 Sequestration			Reprogrammings			1990 Appropriation Anticipated		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administration of Cases......	839	843	$57,089	...	...	($1,860)	...	...	($627)	...	...	...	839	843	$54,602
Management and Administration	54	52	5,688	...	...	(188)	...	...	(63)	...	...	...	54	52	5,437
Total......................	893	895	$62,777	...	...	($2,048)	...	...	($690)	..	...	...	893	895	$60,039

Legal Activities
United States Trustee System Fund
Summary of Requirements
(Dollars in thousands)

Adjustments to base	Perm. Pos.	WY	Amount
1990 as enacted	893	895	$60,729
1990 Sequestration	..	..	(690)
1990 Appropriation anticipated	893	895	60,039
Mandatory increases	36	23	4,722
Non-recurring decreases	..	..	(58)
1991 Base	929	918	64,703

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase / Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Administration of cases	839	843	$54,602	875	866	$58,899	875	861	$58,869	..	(5)	($30)
2. Management and administration	54	52	5,437	54	52	5,804	54	52	6,804	..	..	1,000
Total	893	895	60,039	929	918	64,703	929	913	65,673	..	(5)	970

	Appro.	Reim.	Total	Appro.	Reim.	Total	Appro.	Reim.	Total	Appro.	Reim.	Total
EOY Employment:												
Full-time permanent	890	...	890	918	...	918	918	...	918	...	...	...
Other	10	...	10	11	...	11	11	...	11	...	...	...
	900	...	900	929	...	929	929	...	929	...	...	...

Legal Activities
United States Trustee System Fund
Summary of Resources by Program
(Dollars in thousands)

	1989 as Enacted			1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Inc. / Dec.		
Estimates by program	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1.Administration of cases......	839	759	$42,099	839	746	$50,338	839	843	$54,602	875	866	$58,899	875	861	$58,869	...	(5)	($30)
2.Management and administration	54	52	5,271	54	52	5,372	54	52	5,437	54	52	5,804	54	52	6,804	...	...	1,000
Total.........................	893	811	47,370	893	798	55,710	893	895	60,039	929	918	64,703	929	913	65,673	...	(5)	970
Other Workyears:																		
Holiday.........................		...			...			...			...			...			...	
Overtime........................		5			5			5			5			5			...	
Total Compensable Workyears....		816			803			900			923			918			(5)	

Justification of Program and Performance
United States Trustee Program
United States Trustee System Fund

(Dollars in Thousands)

Activity: Bankruptcy Matters	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administration of Cases........	839	843	$54,602	875	866	$58,899	875	861	$58,869	...	(5)	$ (30)
Management and administration..	54	52	5,437	54	52	5,804	54	52	6,804	...	...	1,000
Total.......	893	895	60,039	929	918	64,703	929	913	65,673	...	(5)	970

This budget activity includes all of the resources for the United States Trustee program. Funds requested for this activity support the U.S. Trustee program personnel involved at headquarters and in the field offices in the supervision of bankruptcy case administration in a total of 88 federal judicial districts.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administration of Cases........	839	843	$54,602	875	866	$58,899	875	861	$58,869	...	(5)	$ (30)

Long-Range Goal: To assure effective administration of bankruptcy cases, with the maximum confidence of creditors, debtors, and the courts, and the public. Also, to permit judges to focus on legal matters in the cases before them, by performing case administration.

Major Objectives: In creating the U.S. Trustee system, the Congress cited the necessity for separating administrative and adjudicative functions "to afford bankruptcy litigants the fair and impartial justice to which all other litigants in the federal courts are entitled" (H.R. Rep. No. 595, 95th Cong., 1st Sess. 91 (1977)). Within this broad responsibility the objectives of the U.S. Trustees are:

To ensure a consistent nationwide approach toward the application of bankruptcy laws.

To supervise the performance of chapter 11 debtors-in-possession (or trustees) to preserve the going-concern value of the business, prevent administrative insolvencies and guard against tax losses to the Treasury.

To maximize assets of estates and distributions to creditors.

To monitor the costs of professional and other services in the administration of bankruptcy estates.

To recruit, select, train, and maintain panels of qualified individuals to serve as private trustees in Chapter 7 cases.

To supervise the administration of chapter 12 and 13 cases by standing trustees, and ensure that costs are held to a reasonable level.

To encourage creditor participation in bankruptcy cases.

To ensure that all parties in bankruptcy cases act in conformance with the law, and that fraud, dishonesty, and overreaching in the bankruptcy arena are prevented.

To assign cases to panel members on a fair and impartial basis and supervise their performance.

Base Program Description. The objectives that the U.S. Trustee System were created to accomplish have not changed since the inception of the program. The Trustee program has expanded to include 96% of the total bankruptcy filings in the United States. Fiscal year 1991 will be the third year that the U.S. Trustee program is totally self funded by monies deposited (filing fees and Chapter 11 Quarterly fees) in the United States Trustee System Fund.

Under the Administration of Cases program, the U.S. Trustees oversee the administration bankruptcy cases filed in federal judicial districts under the Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act of 1986. Currently, 88 of the nation's 94 federal judicial are served by 21 U.S. Trustees operating through 88 offices. The remaining six judicial districts will be brought by existing statute into the program no later than October 1, 1992.

Through this decision unit, the U.S. Trustee program realizes its Congressional mandate to prevent fraud, dishonesty and overreaching in the bankruptcy arena. In addition to the aggressive monitoring of fees charged by bankruptcy practitioners, procedures for referring criminal cases and matters to the U.S. Attorneys and state and local law enforcement bodies will be strengthened.

Accomplishments and Workload: The table on the next page summarizes the cases under Chapters 7, 11, 12, and 13 of the Bankruptcy Code.

	1988	1989	1990	1991
Cases Administered under Chapter 7:				
a. Active, start-of-year	370,881	351,966	344,966	332,966
b. Filed	437,000	454,000	525,000	575,000
c. Inactivated	455,915	461,000	537,000	589,000
d. Active, end-of-year	351,966	344,966	332,966	318,966
Cases Administered under Chapter 11:				
a. Active, start-of-year	77,096	74,012	70,181	64,068
b. Filed	18,071	17,200	14,800	14,800
c. Inactivated	21,155	21,031	20,913	20,913
d. Active, end-of-year	74,012	70,181	64,068	57,955
Cases Administered under Chapter 12	2,941	1,800	1,200	1,200
Cases Administered under Chapter 13	153,000	167,000	199,000	219,000
Total Filings, All Chapters	611,012	640,000	740,000	810,000

Explanation. **Estimates provided above are for the entire United States. The six districts that will not be part of** the United States Trustee Program until 1992 represented only 4% of the filings in 1987 and 1988.

Program Changes

	1991 Base			1991 Estimate			Increase\Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administration of Cases........	875	866	$58,899	875	861	$58,869	...	(5)	$ (30)

Management and Productivity Savings. In keeping with the Administration's effort to increase efficiency in Government operations and reduce the deficit, a reduction of 5 workyears and $30,000 is included.

Justification of Program and Performance
United States Trustee Program
United States Trustee System Fund
Management and Administration - 6UST01

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration..	54	52	5,437	54	52	5,804	54	52	6,804	...	...	1,000

Long Range Goal. To furnish U.S. Trustees with effective and efficient program management, policy direction, legal advice, administrative support and coordination.

Major Objectives.

To develop policies which foster efficient implementation of the program created by the "Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986," (Pub. L. 99-554), including assuring that actions taken in bankruptcy cases are consistent with the law.

To develop program priorities and exercise program management.

To implement the nationwide expansion and provide continuing support for the U.S. Trustee program.

To review the management operations of field offices and recommend systems and procedures for improving the efficiency and effectiveness of these offices.

To provide a full range of administrative support services to the field offices, including personnel, procurement, and space management.

To provide legal and paralegal research and support services to field offices.

To determine ADP and word processing requirements of field offices and provide for the necessary procurement, installation and maintenance of suitable systems.

To supervise audits of private trustee performance.

To develop and maintain administrative, substantive and law enforcement operating manuals for guidance of U.S. Trustees.

To allocate field office staff and other resources, and to control the expenditure of funds in a manner which permits program accomplishments within appropriated levels and consistent with OMB Circular A-123.

To provide liaison with other Department of Justice organizations concerning administrative and legal matters.

To provide liaison with Congress and with central administrative bodies, such as the Office of Management and Budget, the Office of Personnel Management, the General Services Administration and the Administrative Office of U.S. Courts.

To manage the U.S. Trustee System Fund.

Base Program Description. The U.S. Trustee system requires centralized policy guidance, coordination and administrative support. The Director and Counsel and the Deputy Director of the Executive Office for United States Trustees provide policy and management direction to the U.S. Trustees and their staffs in the field. Program-wide legal and administrative policies can only be established and monitored effectively from one central location.

The General Counsel's staff is responsible for giving legal advice and opinions to the U.S. Trustees and for providing assistance in maintaining the quality of legal work performed in the field offices. The Policy and Planning staff is responsible for management assessments, internal control compliance, and overall policy planning. The Office of the Controller is responsible for budget development and execution, resource allocation, direction of collection activity and management of the U.S. Trustee System fund. The Oversight and Compliance Staff provides monitoring guidelines.in case administration for the standing and panel trustee, including the independent audit process; financial reporting requirements for chapters 7, 12 and 13; as well as technical assistance to the United States Trustees for all financial aspects of bankruptcy case administration.

The Administrative staff is responsible for program wide procurement and contracts, personnel management, property, security, space, accounting, and automated management information systems. Numerous federal regulations, laws and executive orders that govern administrative matters require the services of the Executive Office. For example, the General Services Administration regulations governing the acquisition and use of space require centralized handling of these responsibilities. The complexity of federal personnel regulations likewise precludes the delegation of this function to field office personnel. Procurement can be handled more cost effectively at the headquarters level.

U.S. Trustee System Fund Revenue

The revenue projections below are derived from the existing fee structure. Revenue estimates are made on a modified cash receipt basis. The filing fee revenues are based on actual and historical court filings.

United States Trustee System Fund Financial Activity
(in thousands of dollars)

	1989	1990	1991
Unappropriated balance, start of year	51,916	63,994	65,598
Collections on Deposit:			
a. Case filing fees	23,427	24,984	27,150
b. Chapter 11 Quarterly Fees	31,187	32,015	30,464
c. Interest Income	3,667	4,279	3,766
d. 28 U.S.C. 586(e) funds	1,167	365	275
Total, Collections on deposit	59,448	61,643	61,655
Total available for appropriation	111,364	125,637	127,253
Appropriation	(47,370)	(60,039)	(65,673)
Unappropriated balance, end of year	63,994	65,598	61,580

The Revenue Analysis staff receives monthly data from the Administrative Office of the U.S. Courts (AOUSC) on the amounts credited to the Fund for filing fees collected by judicial district offices of the bankruptcy and district courts. These reports are monitored against projected revenues to determine the status of filing fees deposited to date.

The U.S. Trustee program collects chapter 11 fee revenue through a lock box facility under a U.S. Treasury Department contract with a bank. Chapter 11 fees are deposited to the credit of the UST account, advice of the deposit is made to Treasury, and detailed payment information to EOUST is transmitted each day.

Revenue in the Fund that is not needed for current expenses is invested in Treasury securities, and the income so earned accrues to the fund. This investment income increases the U.S. Trustee System Fund revenue which minimizes the financial burden on users of the system.

Program Changes

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Management and Administration..	54	52	$5,804	54	52	$6,804	...	...	$1,000

Audits of Trustees. This program will require a program increase of $1,000,000 to contract for audits of private trustees in 1991. These audits are necessary to verify that the assets of bankruptcy estates are maintained in compliance with applicable laws and regulations. The objectives of the audits are to determine: (1) the adequacy of the trustee's internal controls over bankruptcy estate cash; (2) the accuracy of cash records; (3) compliance applicable laws and regulations; and (4) adequacy of the trustee's bond level.

Since the inception of the U.S. Trustee program, audits of private trustees have uncovered significant instances of fraud and abuse. The certainty of an audit recently caused a trustee in Iowa to admit to the embezzlement of over $741,000 in estate funds during the past 20 years. The greater the frequency of the audit, the lower the opportunity for undetected improprieties and significant losses. Moreover, because the program is relatively new, numerous trustees have never been audited and may not be for several years. At the current base level for the audit function, it will take another four years to audit each of the 1,600 panel trustees. With the funding requested, the program will be able to contract for these audits every three years.

The Oversight and Compliance staff in the Executive Office for U.S. Trustees, with the United States Trustees, oversee private trustees under the program's general supervision. The staff utilizes private auditors and accounting firms when needed and also works in cooperation with the Inspector General's Office of the Department of Justice. Its mission is to safeguard the funds in bankruptcy estates, and keep a close watch on accountability and reporting of the more than 1,600 chapter 7 panel trustees who oversee liquidation of assets as well as the 250 chapter 13 and chapter 12 standing trustees who administer re-payment plans for debtors in individual and family farm bankruptcies respectively. The audit staff scrutinizes budgets, audit reports, and financial activity of these private trustees, and will respond immediately when there is an allegation or referral of fund shortages. The staff also initiates the reconstruction of records and accounts to determine the amount of the misappropriation or embezzlement of estate funds. Since 1985, 20 trustee misappropriations have been found by the program. Their audits often provide substantial documentation to assist the FBI investigation and the United States Attorney's prosecution. There is, of course, also the benefit we realize by deterring and discouraging wrong doing by trustees who know they would be quickly discovered by the reporting and auditing functions established by the Executive Office for United States Trustees. Furthermore, the recovery of funds to bankruptcy estates increases the dollars available to affected unsecured creditors and builds confidence in the integrity of the bankruptcy system.

Legal Activit.
United States Trustee System Fund
Financial Analysis – Program Changes
(Dollars in thousands)

	Administration of cases		Management & Administration		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
GS-15	---	---	---	---	---	---
GS-14	---	---	---	---	---	---
GS-13	---	---	---	---	---	---
GS-12	---	---	---	---	---	---
GS-9	---	(24)	---	---	---	(24)
GS-8	---	(6)	---	---	---	(6)
GS-5	---	---	---	---	---	---
Ungraded	---	---	---	---	---	---
Total, Pos. & annual rate	---	(30)	---	---	---	(30)
Lapse	(5)	---		---	(5)	---
Total Workyears & pers. compensation	(5)	(30)	---	---	(5)	(30)
Other personnel compensation	---	---		---		---
Personnel benefits		---		---		---
Travel		---		---		---
Transportation		---		---		---
GSA Rent		---		---		---
Comm. util. & misc. chgs		---		---		---
Printing		---		---		---
Other Services		---		$1,000		$1,000
Supplies		---		---		---
Equipment		---		---		---
Total program workyears and obligations changes requested, 1991	(5)	(30)	---	$1,000	(5)	$970

Legal Activities

United States Trustee System Fund

Priority Ranking

Fiscal Year 1991

Base Program

Program	Ranking
Administration of Cases (AOC)	1
Management and Administration (M & A)	2

Program Increase

Program	Ranking
Management and Administration (M & A)	1

Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	Adjustment in Perm. Pos	1991 Request
U.S. Trustees or Assistant U.S. Trustees (301)	98	98	4	102
Bankruptcy Analysts (301)	129	129	6	135
Attorneys (905)	135	135	16	151
Paralegal Specialists (950)	175	175	4	179
Other Legal and Kindred (900-998)	252	252	...	252
Personnel Management (200-299)	8	8	...	8
Management System Specialists (301)	36	36	...	36
General Admin., Clerical and Office Services (300-399)	52	52	6	58
Accounting and Budget (500-599)	8	8	...	8
Total	893	893	36	929
Washington	64	64	...	64
U.S. Field	829	829	36	865
Total	893	893	36	929

Legal Activities
United States Trustee System Fund
Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1990 as enacted	893	895	$60,729
1990 Sequestration	...	...	(690)
1990 appropriation anticipated	893	895	60,039
Mandatory increases:			
One additional compensable day	...	...	162
1990 Full-year pay increase impact on 1991[1]	...	...	1,460
1991 Pay raise	...	...	431
Senior Executive service increase	...	...	200
Special salary rates	...	...	32
Within grades	...	...	145
Health benefits	...	...	206
Federal Employees Retirement System (FERS)	...	...	418
GSA rent	...	...	382
GSA recurring reimbursable services	...	...	1
Building Maintenance Shortfall	...	...	34
Employee data and payroll services	...	...	8
Security reinvestigations	...	...	10
General Pricing level adjustments	...	...	394
Administrative Salaries Increases	...	...	145
Annualization of Program Expansion	36	23	706
Total, mandatory increases	36	23	$4,722
Mandatory decreases:			
A-76 reduction	...	...	(58)
Total, mandatory decreases	...	...	(58)
1991 Base	929	918	$64,703
Program Changes:			
Management and Administration	...	...	1,000
Management and productivity savings	...	(5)	(30)
Total Program changes [1]	...	(5)	970
1991 Estimate	929	913	65,673

[1] The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

Legal Activities
United States Trustee System Fund
Justification of Adjustments to base
(Dollars in thousands)

Mandatory Increases:	Perm. Pos.	Work-years	Amount
1. Additional Compensable day The annual salary rate for Federal employees is based on 260 paid days. During 1991 there is one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.	...	...	$152
2. 1990 Full-year pay increase impact on 1991 This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $1,460,000 is the amount required for full year funding in 1991. NOTE: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.	...	...	1,460
3. 1991 pay increase For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This request provides for 50 percent of the proposed 4.0 percent pay increase effective January of 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $431,000, is the cost of the pay increase for approximately three-quarters of the of the year assuming a 50-percent absorption.	...	...	431
4. Senior Executive Service increase This request represents the 1991 costs of the pay increase for	...	...	200

for executive level and senior executive service employees. This pay increase is to be effective in January of 1990, but will be absorbed completely for the first year. In 1991, an increase of $200,000 is necessary for this requirement.

	Perm. Pos.	Work-years	Amount
5. Special Salary Rates.. This request provides increases as authorized by law in U.S.C. 5303. The Office of Personnel Management has approved these rates for positions where retention and recruitment of qualified applicants is a problem. The Department's request represents coverage of 33 authorized special rates.	...	...	32
6. Within-grade increases (WGI)............................... This request provides for the expected increase in the cost of within-grade increases. This increase represents WGI costs based on a dynamic model of the Department's employee population.	...	...	145
7. Health Benefits.. The Federal Employees Health Benefits Act (P.L.93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1989, the actual contribution to health insurance increased 27 percent. The requested increase of $206,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.	...	...	206
8. Federal Employees Retirement System (FERS)................ This request provides for the additional costs in 1991 necessary to continue the implementation of the Federal	...	...	418

	Perm. Pos.	Work-years	Amount
Employees Retirement System Act of 1986, P.L. 99-335. The Act established a retirement program for Federal civilian employees hired after December 31, 1983, who are covered by social security and for employees under the Civil Service Retirement System who chose to transfer to the new system. The increased requirement for 1991 is based on actual agency payments for the basic FERS annuity, Social Security and thrift savings.			
9. GSA Rent... GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $382,000, or a five-percent increase over the base, is required to meet our commitment to GSA.	...	...	382
10. GSA recurring reimbursable services........................ Reimbursable payments are made to GSA for heating, ventilation and air conditioning provided in excess of normal working hours and for guard services. An estimated 1.1-percent increase of $1,000 for these services in 1991 over the 1990 charges of $90,000 is required.	...	...	1
11. Building Maintenance Shortfall............................ The General Services Administration (GSA) delegated responsibility for maintaining the Main Justice (MJB) and Home Owners Loan Corporation (HOLC) buildings to the Department in FY 1983 and FY 1986, respectively. Citing funding constraints, GSA has declined to provide funding beyond what it would spend to manage the buildings based on GSA-estimated formulas, irrespective of the age and	...	...	34

	Perm. Pos.	Work-years	Amount
condition of the buildings. Requested resources will ensure that the HOLC and MJB buildings are adequately maintained. An increase of $2.5 million will be required in FY 1991.			
12. Employee data and payroll services......................... Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems, maintenance and payroll accounting, are based on the number of employee records maintained. The rate of 188.23 per record in 1989 will be raised to $199.52 per record for 1991. The change is based on anticipated uncontrollable cost increases of 6 percent for the operation of the Justice Employee Data Service. An increase of $6,000 will be required in 1991.	...	...	6
13. Security Reinvestigations................................. The security reinvestigation program has been receiving widespread attention due to the increase in espionage cases, and the many situations where employees, who had been working in their jobs for a number of years, were discovered to be involved in various activities that were detrimental to the nation's security. The OPM Federal Personnel Manual, Chapter 736 requires incumbents of certain positions to be reinvestigated, at a minimum, every five years. By 1991, the Department will require 7,592 employees to be reinvestigated in each of the next five years to address the existing backlog. Requested resources will provide for an additional 2,300 cases per year of the 7,092 cases that remain unfunded. An increase of $10,000 will be required in 1991.	...	...	10
14. General pricing level adjustments.........................	...	...	394

	Perm. Pos.	Work-years	Amount
This request applies OMB pricing guidance as of December 6, 1989, to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts, with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1991 estimates.			
15. Administrative Salary Increase............................ This request provides for an expected annual pay increase in the cost of administratively determined salaries for the Assistant U.S. Trustees and for those U.S. Attorneys occupying ungraded positions.	...	...	145
16. Annualization of program expansion........................ This request provides for adjustment in staffing level to support the mandated functional requirements of the nationwide U.S. Trustee Program. Program expansion was authorized by the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (Public Law 99-554) and was completed on October 20, 1989 when the last group of pre-November 1986 came under the jurisdiction of the U.S. Trustee Program.	36	23	706
Total mandatory increases..............................	...	...	$4,722
Non-recurring Decreases			
1. Federal Telecommunication System (FTS)....................	...	...	(58)

	Perm. Pos.	Work-years	Amount
In 1991, the General Services Administration (GSA) is to have the FTS 2000 system fully implemented, At present GSA projections indicate costs for current FTS minute charges will decrease from 34 cents per minute to 18 cents per minute. The requested reduction of $58,000 from a base of $64,000, reflects this decrease.			
Total non-recurring decreases............................	...	...	(58)
Total adjustments to base................................	36	23	$4,664

Legal Activities
United States Trustee System Fund
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1989 Actual		1990 Estimate		1991 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
ES-6, $83,600	1		1		1		...	
ES-5, $81,400	1		1		1		...	
ES-3, $77,600	23		23		23		...	
GS/GM-15, $59,216-76,982	32		32		32		...	
GS/GM-14, $50,342-65,444	86		86		86		...	
GS/GM-13, $42,601-55,381	142		142		144		2	
GS-12, $35,825-46,571	91		91		105		14	
GS-11, $29,891-38,855	72		72		76		4	
GS-9, $24,705-32,121	117		117		121		4	
GS-8, $22,367-29,081	79		79		79		...	
GS-7, $20,195-26,252	100		100		102		2	
GS-6 $18,174-23,628	38		38		38		...	
GS-5, $16,305-21,201	35		35		41		6	
Ungraded	76		76		80		4	
1991 pay raise	...		...		...	$505	...	$505
Total, appropriated positions	893	$29,038	893	$31,560	929	33,942	36	2,382
Pay above stated annual rates	...	...	...	...	...	130	...	130
Lapses (-)	(133)	(3,307)	(12)	(300)	(30)	(667)	(18)	(367)
Net savings due to lower pay scales	...	(306)	...	(263)	...	...	...	263
Net full-time permanent	760	25,425	881	30,997	899	33,405	18	2,408
Other than permanent:								
Part-time permanent	8	253	4	173	4	187	...	14
Temporary employment	30	1,054	10	654	10	680	...	26
Other personnel compensation:								
Overtime	5	64	5	64	5	64	...	...
Other compensation	...	568	...	159	...	159	...	...
Special personal services payments	...	39	...	62	...	62	...	...
Total, workyears and personnel compensation	803	27,403	900	32,109	918	34,557	18	2,448
Average ES Salary		$70,980		$77,992		$83,868		
Average GS/GM Salary		$29,092		$31,837		$34,033		
Average Ungraded Salary		$55,548		$57,825		$57,825		
Average GS/GM Grade		9.2		10.3		10.3		

Legal Activities
United States Trustee System Fund
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1989 Actual		1990 Estimate		1991 Estimate		Increase/Decrease	
	Work-years	Amount	Work-years	Amount	Work-years	Amount	Work-years	Amount
11.1 Full-time permanent.................	760	25,425	881	30,997	899	33,809	18	2,812
11.3 Other than full-time permanent......	38	1,307	14	827	14	860	...	33
11.5 Other personnel compensation........	5	632	5	223	5	223	...	...
11.8 Special personal services payments..	...	39	...	62	...	62	...	...
	803	27,403	900	32,109	918	34,954	18	2,845
12 Personnel benefits..................		5,783		6,921		8,227		1,306
13 Benefits to former personnel........		14		13		13		...
21 Travel & transportation of persons..		1,803		2,181		2,216		35
22 Transportation of things............		615		338		343		5
23.1 GSA Rent............................		6,565		7,221		7,703		482
23.2 Rental payments to others...........		25		250		250		...
23.3 Communications, utilities & misc. charges.........................		2,448		2,441		2,383		(58)
24 Printing & reproduction.............		135		180		180		...
25 Other services......................		7,764		5,941		6,940		999
26 Supplies and materials..............		1,242		997		1,002		5
31 Equipment...........................		1,913		1,447		1,462		15
Total obligations..................	803	55,710	900	60,039	918	65,673	18	5,634
Relation of obligations to outlays :								
Unobligated balance, start-of-year..		(8,817)		(477)		(477)		
Unobligated balance, end-of-year....		477		477		477		
Total requirements..............		47,370		60,039		65,673		
Relation of obligations to outlays :								
Total obligations..................		55,710		60,039		65,673		
Obligated balance, start-of-year....		8,842		5,697		6,144		
Obligated balance, end-of-year......		(5,697)		(6,144)		(6,090)		
Outlays........................		58,855		59,592		65,727		

Legal Activities
United States Trustee System Fund
Consulting and Related Services

	1989 Actual	1990 Estimate	1991 Estimate
Consulting Services	25	25	25
Management and Professional Services	2,866	1,579	1,550
Special Studies and Analysis	...	...	...
Total	2,891	1,604	1,575

Consulting and related services are required to provide those services beyond the scope of skills available within the U.S. Trustee program. The Management and Professional Services estimates exclude estimated program reimbursements for intra-government services (i.e., audit, personnel, procurement).

In the first category of estimates above, consulting services involve assistance to the Director of the Executive for U.S. Trustees in areas beyond the expertise of the permanent staff. Areas of expertise include the organization of the program, and the development of program policies.

Estimates in the second category, management and professional services, are for instances when it is more cost effective to contract for services than to hire permanent staff. These specialists have assisted the program with computer programming, specialized accounting services, procurement, personnel, technical development, system analysis and financial services.

Finally, special studies and analysis are required for ongoing evaluations of the automated systems. Through these evaluation, productivity and performance can be improved to hold expenses over the life of the case management systems.

Mr. **Mollohan**. The committee is pleased to welcome the Acting Director of the Trustee System Fund, Mr. John E. Logan.

Since this is your first appearance before the Committee, we will insert a copy of your biographical sketch into the record.

[The biographies of Mr. Logan and Mr. McCracken follow:]

John E. Logan

John E. Logan was born in Somerville, New Jersey. He attended public school in New Jersey. He received his undergraduate degree in Economics from the University of Pennsylvania. He received his law degree from Rutgers University. He joined the Department in 1980. As General Counsel of the United States Trustee program, he oversees the litigation of the program in the bankruptcy and district courts as well as advising the agency on legal issues in general. While General Counsel, he has served as Acting United States Trustee for the judicial districts of Colorado, Wyoming and Utah. On November 3, 1989, Mr. Logan was appointed Acting Director of the United States Trustee program.

David M. McCracken

David M. McCracken was born in Waltham, Massachusetts. He attended public school in Alabama and Maryland. He received his undergraduate degree in Business Administration from Towson State University. He joined the Department in 1980. As Acting Budget Officer of the United States Trustee program, he oversees the financial activities relating to the formulation and execution of the program's budget.

Mr. **Mollohan**. Mr. Logan, you may proceed with your oral statement. Your written statement, if you have one, will be made a part of the record.

Mr. **Logan**. Thank you, Mr. Chairman.

It is an honor to be here this afternoon at your request to discuss our proposal for fiscal year 1991. I make a request that the whole text of the statement be placed in the record.

Mr. **Mollohan**. Fine. Your whole statement will be made a part of the record.

SUMMARY STATEMENT

Mr. **Logan**. Thank you, Mr. Chairman.

As you correctly identified, our request for fiscal year 1991 is for 929 positions, 913 full-time equivalent workyears and $65,673,000. It is important to note that the U.S. Trustee Program is funded out of the U.S. Trustee System Fund, which is self-sufficient. It depends solely upon fees assessed upon debtors.

Specifically, we receive part of the filing fee each debtor pays when he seeks the protection of the Bankruptcy Code. We receive quarterly fees which are assessed on a graduated scale on those entities in the reorganization cases of chapter 11. The fund also receives interest payments.

Finally, there are miscellaneous assessments against debtors that also go into the fund. The program's purpose and responsibility is to oversee the administration of bankruptcy cases. In that regard, we appoint trustees, people who actually administer the cases. We monitor their performance and oversee the movement of the cases through the system. Our appropriation for fiscal year 1990 is $60,039,000. The request pending before the committee will simply keep us at the present resource level, with one progam increase.

Specifically, we are requesting an additional $1 million to fund our audit activities. The audit initiative provides the resources to regulate the trustees we appoint. That is, they are entrusted with substantial amounts of funds. We monitor their performance.

We ensure that they close their cases. One of the ways we do this, through a reimbursable agreement with the Office of the Inspector General of the Department, is to conduct audits of their operations. That is, are they truly using funds for purposes of the estate and are they gathering the assets and moving them toward both liquidation and distribution to the creditors in an expeditious yet fair manner?

We make the increased request for the audit function to enhance the public confidence in the system that is now moving a great number of cases. Secondly, we think that with the greater audit capabilities and the more efficient they are, the greater return the creditors are likely to see.

Most of these funds will go to auditing the chapter 7 cases, that is, the liquidation cases. Last year, I think there were some 450,000 chapter 7 cases. The Administrative Office of the U.S. Courts anticipates 525,000 chapter 7 case filings in 1990.

Obviously, we are trying to keep up to speed in our audit capabilities. I would note also that this increase will come out of the Fund, and that there will be no need to increase the fees presently assessed against debtors.

The program will also carry out its responsibilities in terms of chapter 11 cases. Chapter 11 gives the debtor an opportunity to receive protection from creditors. A creditor can't enforce any interests against the debtor once a debtor files under the bankruptcy laws. But, at the same time, the debtor is obligated to do fundamental things like pay taxes to State and Federal Governments, provide financial information to both creditors and public agencies, and make a sincere effort to reorganize its affairs.

All too often, we have found that debtors come in and seek protection, but nothing more. One of the items the program does through its attorneys and financial analysts is review the cases and bring to the court's attention those cases which should be converted to a liquidation or simply dismissed, so they don't continue to bog down the whole system.

ATTORNEYS FEES AND PROFESSIONAL FEES

Similarly, the program devotes a substantial effort to commenting upon the reasonableness of attorneys' fees and professional fees in bankruptcy cases. We are truly the only party that shows up in a case that will do this. As you can imagine, various attorneys and professionals in the case are reluctant to challenge each other's fees. As you can also imagine, it is not a popular responsibility we have undertaken.

In addition to our monitoring and overseeing the administration of the cases, the funding request allows us to continue our information systems, which we call the automated case management system. This is an automated system which we use instead of large stacks of files where pertinent case information is placed into a computer data base that we are able to draw up on our computer screen instead of going to the files. It also provides a word processing system and some means to do financial analysis.

In this regard, we are working with the Administrative Office of the United States Courts to streamline the system so that we are not both inputting the same information to our various systems. In this way, we pay the court system to have the expertise and the ability to do that.

In another sense, we are working with the court system to delineate and set forth the various responsibilities that come forth in the administration of a case between our offices and the clerk's functions.

Finally, Mr. Chairman, the program, having just completed its expansion in October of 1989, assumed the authority over all cases under the 1986 Act. We are seeking to improve the integrity of the system and to maintain our high standards. One way we are seeking to do this is by raising our own standards. That will be our effort this year which will obviously continue into 1991.

With those thoughts, Mr. Chairman, I, of course, will try to answer any questions you or any member of the committee may have.

[The prepared statement of Mr. Logan follows:]

DEPARTMENT OF JUSTICE
EXECUTIVE OFFICE FOR UNITED STATES TRUSTEES

STATEMENT OF THE
ACTING DIRECTOR AND COUNSEL
JOHN E. LOGAN
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before you today to discuss the 1991 appropriation request for the United States Trustees. We are requesting a total of 929 positions, 913 full-time equivalent work years and $65,673,000. I would emphasize that this request is for an appropriation of monies that were deposited in the United States Trustee System Fund as a result of fees collected from bankruptcy cases, and therefore, it does not result in a cost to the taxpayers.

The program's basic responsibility is to oversee the administration of bankruptcy cases. In this regard, our duties include appointing trustees, supervising their performance and monitoring bankruptcy estates in general.

The program has met the challenge of fiscal self-sufficiency through the fee structure established within the Bankruptcy Judges, United States Trustee and Family Farmer Act of 1986 and requires no support from the general revenues of the Federal Government. As you are aware, the revenues to the United States Trustee System Fund are derived from a specified portion of the filing fee, chapter 11 quarterly fees, payment of excess percentage fees collected by chapter 12 or 13 standing trustees, and interest on invested funds. Fiscal year 1990 is the second year that the program has been totally self funded and 1991 should follow suit.

In October 1989, the program assumed authority over all cases as provided by the 1986 Act. This implementation of the 1986 legislation in expanding the program nationwide, carries out the important reform of the Bankruptcy Reform Act of 1978, the separation of administrative and adjudicative functions in bankruptcy cases. Fostering the fair, efficient and effective administration of bankruptcy cases remains the program's main responsibility. Specifically, the final six regions of the program assumed authority over cases filed prior to the 1986 Act on October 20, 1989. The United States Trustee program is in place in 88 of the Nation's 94 Federal judicial districts. As you know, the Act excluded the three judicial districts for the State of Alabama and the three judicial districts for the State of North Carolina from the program until 1992, unless the judges of those districts choose to become part of the program at an earlier date.

In 1990 Congress provided $60,039,000 from the United States Trustee System Fund for the program. In addition, carryover balances, as provided by law, of $477,000 are available to fund anticipated expenses in fiscal year 1990. We do not anticipate significant carryover funding available at the end of fiscal year 1990 for 1991 purposes.

The 1991 budget maintains the resources to operate the 88 field offices across the country. Our one program increase request of $1,000,000 is for additional funding to expand our efforts of auditing trustees. These audits are conducted by the Department's Office of Inspector General through a reimbursable agreement. These efforts are critical to verify that the assets of bankruptcy estates are maintained in compliance with applicable laws and regulations. A system that entrusts large sums of money to private individuals must ensure that the required fiduciary standards are adhered to. Upholding this level of integrity provides not only public confidence in the process, but a real opportunity for creditors to receive a share of an estate's assets. A extensive and sound audit system is a major factor in this regard. This resource request is critical for the United States Trustees to continue to determine the adequacy of the private trustee's internal controls over bankruptcy estate cash, and the adequacy of cash records and trustee's bond limit.

In this regard, the program continues to oversee and work closely with the private trustees. The private trustees are the individuals who actually administer the cases under chapter 7 (liquidation), chapter 12 (family farmers) and chapter 13 (wages earners) and are the foundation of the system. With over 623,000 cases filed under these chapters in 1989, the trustees not only seek to ensure that the provisions of the bankruptcy laws are complied with in each case, but are also the individuals who seek to protect the system from those who attempt to abuse the bankruptcy laws. Overall, the private trustees are responsible for maintaining and distributing hundreds of millions of dollars per year. We will continue to devote significant efforts in not only selecting high quality individuals for these positions, but also providing oversight and direction to obtain the goal of maximizing the amounts available for distribution to creditors.

In the chapter 11 reorganization cases we will continue our effort in fostering creditor participation in a case. Where there is no creditor interest we will carry forward our responsibility of ensuring that those who seek the protection of the bankruptcy laws also meet their concurrent obligations. The payments of payroll taxes to Federal and State governments, providing adequate disclosure of information required under the Bankruptcy Code and making a real effort to reorganize an entity's financial affairs are all fundamental responsibilities of a chapter 11 debtor. Too often, instead of using the protections of law to reorganize, debtors simply use it as a shield from all responsibilities. In this area, the program's attorneys and financial analysts devote significant efforts in reviewing a debtor's financial status and bringing to the court's attention, through motions to dismiss the case, to convert to chapter 7 liquidation, or for a trustee to manage the estate's operations of those debtors who do not adhere to the law's requirements. Such efforts seek to ensure that the process is not only fair, but that cases move toward resolution in an expeditious manner.

Another significant, but unpopular, area for which the 1991 request will continue to provide funding is in the area of review of fee applications of professionals, such as attorneys and accountants, in a case. The United States Trustee is effectively the only party in a case who will come forward to comment on the reasonableness of the fees such individuals seek to collect from an estate. The law requires the Court to award such fees, but only the United States Trustee normally provides any overview to the Court. Again, the goal is maximizing the amounts available for distribution to creditors.

The 1991 request includes resources to operate our existing Automated Case Management System (ACMS). This is the automated bankruptcy case management system, and it is now installed in all of our 21 regions. It enables our offices to carry out their functions and responsibilities in the administration of bankruptcy cases, of which 640,000 were filed during 1989. ACMS has the capability to track bankruptcy cases and trustees. It assists in the monitoring of debtor and panel trustee performance and attorney fees. The system also performs word processing functions and financial analyses, generates pleadings, monitors the history of cases, helps identify potential problem areas within a case, and maintains caseload and fee statistics.

The 1991 request will also allow the program to continue our cooperative efforts with the Administrative Office of the United States Courts. The areas include the exchanging of automated information regarding cases so as to reduce duplicative efforts in inputting information in both systems. Additionally, we will continue to work with the Administrative Office in refining means for an efficient and expeditious administration of cases and estates.

For the future of the program, our most important goal is to continue to strengthen the integrity of the nation's bankruptcy system. In this regard we will seek to strengthen the quality of our own efforts. We will continue to undertake actions so as to enhance the fair and impartial enforcement and adjudication of the bankruptcy laws.

This concludes my prepared statement, Mr. Chairman. I will be pleased to answer any questions you or any member of the Subcommittee may have.

Mr. MOLLOHAN. Thank you, Mr. Logan.

I understood you to say that you are asking for $60,039,000.

Mr. LOGAN. It is $65 million, I apologize. That was the fiscal year 1990 appropriation. For fiscal year 1991, we are asking for $65,673,000. I appreciate the chance for correction.

Mr. MOLLOHAN. BANKRUPTCY CASES Do you believe you are succeeding in your bankruptcy cases?

Mr. LOGAN. I think at a very initial stage, what the program represents is the articulation to Congress of separating the adjudicative aspects of a case, what a judge is supposed to do, from the administrative end. In that regard, we no longer have a system in which the court is appointing people to administer cases and at the same time awarding fees and, more importantly, ruling on litigation involving the parties.

The program represents the fundamental decision that Congress made. In that regard, I think we have made significant strides in both choosing good people to administer cases and also monitoring how well they do that. I think we are proud of that, but at the same time, we realize there are many other problems just to fulfill the role that Congress envisioned.

Mr. MOLLOHAN. It is a process that you are trying to nurture in a successful sort of way. What stage in the process are you?

Mr. LOGAN. What comes through severely is the logistics of expanding from an agency in November 1986 of 168 people to this request of 929, going from 14 offices to 88, bringing those people on board, training them, and institutionalizing processes. I think this is a greater challenge than perhaps some imagine. That is the life, I think, of a new program. That is why I say we have much work to do in raising those levels of standards.

PERFORMANCE MEASURES

Mr. MOLLOHAN. To what extent have you been successful and where do you think you need to work harder?

Mr. LOGAN. I think, as I have said before, we have created a presence in the bankruptcy court that there is now a party there to come forth to the court and say, these series of cases or this case should not be in chapter 11. Abuse is present in the reorganization cases, and someone is finally coming forward and objecting to it.

Mr. MOLLOHAN. You look at cases and make determinations as to whether they should remain in chapter 11 or whether the bankrupt individual is abusing the system just to protect himself and not meeting the criteria?

Mr. LOGAN. We make that initial determination and then are obligated to come to the court and say we request that it be dismissed or converted to chapter 7 We are nothing more than a normal litigant other than the fact that we are there every day.

BANKRUPTCY CASES IN WEST VIRGINIA

Mr. MOLLOHAN. So, you are informing the court. May I take an example? How are you performing in West Virginia?

Mr. LOGAN. West Virginia is an area which represents, for the most part, a good sample of bankruptcy cases nationwide. Every case isn't Drexel or Eastern Air Lines.

Mr. MOLLOHAN. Not in West Virginia.

Mr. LOGAN. Or most of the country. And what you have here is, for the most part, entities chapter 11 trying to get a break and get that time span to reorganize.

Mr. MOLLOHAN. Are you operating in West Virginia?

Mr. LOGAN. We have an office in Charleston, and we have facilities in Wheeling, where we hold meetings of creditors. One of the problems we have throughout the program is the logistics of spreading the staff fairly throughout rural America.

Mr. MOLLOHAN. Are you fully staffed in West Virginia? I am using it as an example.

Mr. LOGAN. Right. The staff is a very credible staff. I think part of it is our ability to recruit good people there. We also have the problems, as I am sure you hear time and time again, of recruiting in major metropolitan areas.

Mr. MOLLOHAN. Do you hire a lawyer on a full-time basis to do that?

Mr. LOGAN. We have an Assistant United States Trustee who heads the office and at least two full-time financial analysts. They cover the judicial districts in West Virginia, with probably a complement of 10 to 15 people covering the State.

THE TRUSTEE FUNCTION

Mr. MOLLOHAN. Do you hire trustees to manage individual cases?

Mr. LOGAN. The way the system works is in a chapter 7 liquidation, which is where the debtor is coming and saying, "I would like to be discharged of my debts and here are my assets," we appoint, from a rotating panel, individuals, usually lawyers in the community, to take that case and liquidate it and distribute the assets to the creditors.

In a chapter 11 case, you usually don't have a trustee, the business is allowed to continue unless there is mismanagement, et cetera. The appointment process is largely in the 7s, the liquidations, and in the chapter 13 cases, which are largely the wage-earners who come forward with their own reorganization plans.

Mr. MOLLOHAN. Do most bankruptcies start out in chapter 11?

Mr. LOGAN. No, most start in chapter 7.

Mr. MOLLOHAN. How about businesses?

Mr. LOGAN. Most businesses start in chapter 7, too. They come forward to get out. The chapter 11 cases have dropped slightly.

Mr. MOLLOHAN. What percentage of them are chapter 11s?

Mr. LOGAN. I can give you the numbers. Out of the—what is it, 640,000 cases, the chapter 11s are only 17,200 across the country—approximately 3% of the total filings. Those are just filings, that is not the number of cases pending over the years.

Mr. MOLLOHAN. What percentage of those are successfully reorganized?

Mr. LOGAN. A very small percentage.

Mr. MOLLOHAN. So, most of them are going to liquidation?

Mr. LOGAN. Yes. Either going into chapter 7 or chapter 11. It is possible that the debtor's plan is to liquidate on an orderly basis.

OVERSIGHT RESPONSIBILITY OF TRUSTEES

Mr. Mollohan. Who has oversight responsibility over the trustees to determine effectiveness?

Mr. Logan. Well, of course, we are accountable to the Deputy Attorney General in terms of what we do and the conduct of our activities.

Mr. Mollohan. How is your effectiveness and successfulness measured?

Mr. Logan. I think in a couple of ways. One is simply the audits the Inspector General does over the panel of trustees. The Inspector General goes out and finds deficiencies—really, it is reflective on us, how well we are doing. While the audit report itself doesn't address the Department of Justice personnel, it is an indication of what the trustee hasn't done.

In terms of measuring——

Mr. Mollohan. I am sorry. Do you audit all of the cases?

Mr. Logan. No. It is random sampling.

Mr. Mollohan. What percentage gets audited?

Mr. Logan. Actually, what is audited is the trustee himself. I think what you focus on is the difference between our system and what previously was done. We attempt to come in and look at an operation of the trustee, see where they are keeping the money, and see if they have safeguards. It depends on the district.

In a smaller district, a larger percentage are audited. We try to look at each trustee over a three-year period.

Mr. Mollohan. So, each trustee can expect to be audited once every three years?

Mr. Logan. Yes. In the chapter 13s, which are much larger operations, where you have one trustee taking all the debtors in that district and distributing cash, we try to check once a year. Millions of dollars are going through the system. So, if you don't get there once every three years, it could be a problem.

Mr. Mollohan. Do you find many irregularities among the trustees?

Mr. Logan. I would say no. The problem is, of course, once you find one, it is on your watch. Someone has been using those funds for their purposes, and the question is, what have we been doing?

Mr. Mollohan. So, you are suggesting you actually oversee yourself in that sense?

Mr. Logan. Yes, we worry about that exposure. It is a built-in worry factor, I suppose.

FINAL DISCLOSURE DELAY

Mr. Mollohan. Are you aware of concerns that there is a lengthy delay in many districts between the time that a bankruptcy case is finalized and when the trustee actually discloses the files in that case?

Mr. Logan. Yes. I think what you are focusing on here are concerns that we have as a result of expansion. What we are talking about is a rather defined piece of the world, closing out a bankruptcy case.

You don't easily get these types of individuals, except in the court, and you also don't easily train them.

Mr. MOLLOHAN. What do you mean? What individuals?

Mr. LOGAN. The individuals largely at the paralegal and clerical levels.

Mr. MOLLOHAN. Who do the closing out?

Mr. LOGAN. Who actually look at the trustee's report, add up what cash—making sure everything adds up.

Mr. MOLLOHAN. What about getting the report?

Mr. LOGAN. That is another part of it, making sure they come forth in a timely fashion.

Mr. MOLLOHAN. Is that a problem?

Mr. LOGAN. It is a problem in the sense of a general oversight, which is probably easier at this stage in the program than the actual closing process.

Mr. MOLLOHAN. What are you doing about that problem?

Mr. LOGAN. What we are doing is addressing it program-wide, breaking down the process, raising the expertise level of those who do it by training, making them go through——

Mr. MOLLOHAN. You are doing that?

Mr. LOGAN. Yes. Making them go through the actual processes. It is not going as fast as we want it to.

Mr. MOLLOHAN. Why not?

Mr. LOGAN. I think it's a result of the logistics of expansion. These people have only been on board in some regions for less than a year. Also, all districts are supposed to have uniform bankruptcy laws, but each district has its nuances. This isn't anything to be offended by, but you can't just implement a nationwide training program. You have to break it down into each judicial district, and sometimes the separate courts themselves.

So that is truly the challenge which we face, raising the level of abilities.

Mr. MOLLOHAN. Do you feel you are facing that challenge as quickly and as effectively as you can?

Mr. LOGAN. Yes. I think we have now got the ability and plans to go out, not only simply to give the training, but to revisit and make sure that the people are accountable, and learning something from the training.

Mr. MOLLOHAN. But you are doing that in a systematic way, system-wide?

Mr. LOGAN. Having the logistics of expansion behind us now, that is really what we have to do and are doing.

Mr. MOLLOHAN. That is one of your primary focuses, would it be fair to say?

Mr. LOGAN. Yes.

Mr. MOLLOHAN. But you would say, give us to next year at this time and we will make dramatic progress?

Mr. LOGAN. Yes. To report that this is what we are doing, and there are problems, specifically these are the problems. Part of the problem is the tremendous growth of caseload in the chapter 7 area.

ATTORNEYS FEES

Mr. MOLLOHAN. You mentioned in your comments about the reasonableness of attorneys' fees. Are you addressing any concerns you might have in that regard?

Mr. LOGAN. This doesn't fully respond to your question——

Mr. MOLLOHAN. I don't know that I fully asked the question.

Mr. LOGAN. God has no wrath like an attorney whose fees have been challenged. You just wonder why one is so insulted when one questions the size of fees.

It is really an attempt to create standards in an area which previously had none. Again, part of the problem I think we face is particularly in the large cases where the business, the entity, has always been paying these large fees. Is it totally unfair that the accountants and attorneys not receive the same fees? I am not sure.

But what you have got to—what we try to do is uphold a standard of disclosure so that everyone knows where the money is really going—it is simply not going to the administration of a case. What is the expression? We practiced great medicine, but the patient died.

Mr. MOLLOHAN. Also, do you think these are excessive in some instances, and to what extent, and what are you doing about it?

Mr. LOGAN. I can't say they are excessive. What I can say is what we are trying to do and trying to articulate is that these are standards which have to be adhered to. If you want to go outside the standards, explain to the court why.

Mr. MOLLOHAN. What kind of standards, the amount of time dedicated to a case?

Mr. LOGAN. Cases or matters almost as trivial as how much you get reimbursed for going across the street from your office to the courthouse. Generally, that is an overhead which you shouldn't be reimbursed for, but suddenly, particularly in a big case, you see people being reimbursed for such things, because the money is there.

You border on the trivial, too, on how much is a Xeroxed copy worth? Is the law firm running a little business out of their Xerox room and saying, really, this 25 cents should be 10 cents, because that is what it costs the court to reproduce it?

Again, you are accused of being trivial.

Mr. MOLLOHAN. It adds up to big money or they wouldn't be doing it.

Mr. LOGAN. As I said again, it all comes out of the estate.

Mr. MOLLOHAN. Okay.

Mr. Logan, thank you very much for your testimony. We have a couple other questions we will submit for the record. Thank you.

[The following questions was submitted for the record:]

QUESTION SUBMITTED BY MR. MOLLOHAN

United States Trustee System Fund

QUESTION: What is the amount expected to be unobligated at the end of 1990? What are the obligations to date for 1990? What are the obligations to date for 1989 for the same time period?

ANSWER: We do not expect any significant unobligated balance at the end of 1990 to carry forward to 1991. In 1988, we had a substantial unobligated balance due to the first quarter lapse of the expansion caused by the Continuing Resolution of that year. We were able to carry forward only $477,000 from last fiscal year to 1990.

At the end of February 1990 our total obligations for 1990 were approximately $24 million. For the same time period in 1989, our total obligations were $22.4 million.

Due to the uncertain impact of the 1990 Gramm-Rudman sequestration, many essential obligations for the current fiscal year were delayed and have not been incurred through February 1990. These obligations, however, will be incurred in the current fiscal year. The obligations that were temporarily deferred include essential ADP equipment purchases (including upgrades to the central processing units of the Automated Case Management System) and various training seminars which are to be conducted in the current fiscal year.

THURSDAY, MARCH 15, 1990.

COMMUNITY RELATIONS SERVICE

WITNESSES

GRACE FLORES HUGHES, DIRECTOR

ALFREDA D. HAYES, BUDGET OFFICER

JEFFREY L. WEISS, ASSOCIATE DIRECTOR, OFFICE OF IMMIGRATION AND REFUGEE AFFAIRS

GAIL B. PADGETT, ASSOCIATE DIRECTOR, OFFICE OF TECHNICAL ASSISTANCE AND SUPPORT

ARTHUR E. COLLINS, JR., PROGRAM SPECIALIST, OFFICE OF PLANNING, BUDGET, AND EVALUATION

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

Mr. MOLLOHAN. The hearing will resume.

We will now hear testimony from the Community Relations Service, which requests $28,172,000 for fiscal year 1991, a decrease of $1,127,000. We will insert into the record at this point the 1991 budget justifications.

[The justifications follow:]

Department of Justice

Community Relations Service

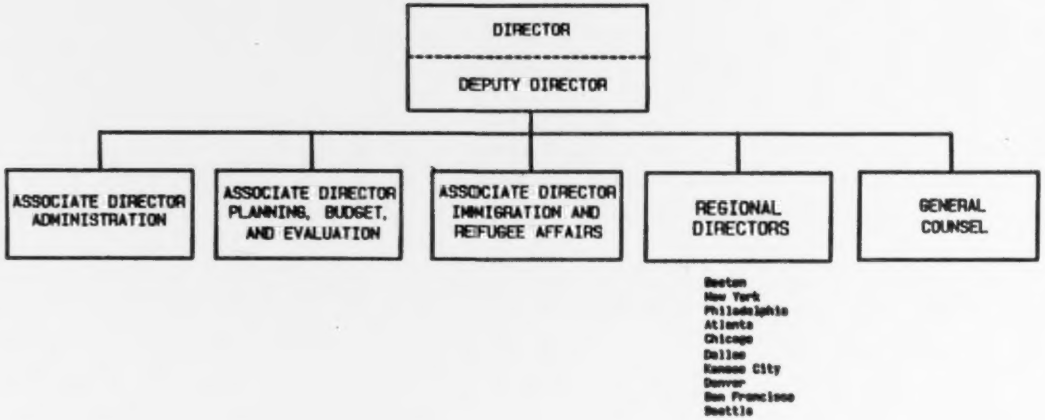
Estimates for Fiscal Year 1991

Table of Contents

Item — Page Number

Organization Chart........ 1
Summary Statement........ 2
Justification of Proposed Changes in Appropriation Language........ 4
Crosswalk of 1990 Changes........ 5
Summary of Requirements........ 6
Summary of Resources by Program........ 7
Justification of Program and Performance........ 8
  Technical Assistance........ 8
  Program Operations........ 10
  Executive Direction and Control........ 12
  Administrative Services........ 14
  Reception, Processing and Care of Cubans and Haitians........ 15
Financial Analysis - Program Changes........ 20
Priority Ranking........ 21
Detail of Permanent Positions by Category........ 22
Schedule of Motor Vehicles........ 23
Summary of Change........ 24
Justification of Adjustments to Base........ 25
Summary of Requirements by Grade and Object Class........ 28
Consulting and Related Services........ 30

COMMUNITY RELATIONS SERVICE


DIRECTOR
DEPUTY DIRECTOR
ASSOCIATE DIRECTOR ADMINISTRATION
ASSOCIATE DIRECTOR PLANNING, BUDGET, AND EVALUATION
ASSOCIATE DIRECTOR IMMIGRATION AND REFUGEE AFFAIRS
REGIONAL DIRECTORS
GENERAL COUNSEL
Boston
New York
Philadelphia
Atlanta
Chicago
Dallas
Kansas City
Denver
San Francisco
Seattle

Approved: ______________ Date: 01-26-90
DICK THORNBURGH
Attorney General

Legal Activities

Salaries and expenses, Community Relations Service

Summary Statement

Fiscal Year 1991

The Community Relations Service (CRS) is requesting, for 1991, a total of $28,172,000, 118 permanent positions, and 120 workyears. This request represents a decrease of $758,000 below the 1990 appropriation enacted. The two major programs within this appropriation are summarized below.

Of the resources requested, $8,392,000, and 88 permanent positions is requested for the Prevention and Conciliation of Community Disputes, and $19,780,000 and 30 permanent positions is requested for the Reception, Processing and Care of Cubans and Haitians.

Prevention and Conciliation of Community Disputes

This activity provides assistance to communities in preventing and resolving conflicts involving racial and ethnic minorities. By bringing disputes to the negotiating table before they are acted out in violence or litigation, CRS forestalls the eventuality of more costly Federal intervention such as litigation, investigation, prosecution, or the use of marshals or the military to preserve or restore the peace.

CRS projects its annual backlog of alerts, assessments, and conciliation/mediation cases in 1991 will increase by approximately 729 over 1989's record high of 951. CRS will conciliate or mediate approximately 1,290 cases in FY 1991, compared to 1,250 cases in FY 1989. This caseload represents full utilization of CRS' capacity to provide service under the FY 1991 funding level.

Categories of racial/ethnic community conflict which will require increased attention in 1991 include:

> Cases involving newly legalized or arriving immigrants, which are becoming more visible and more complex. Not only is the number of legalized immigrants increasing, due to the Immigration Reform and Control Act (IRCA), but their growing familiarity and comfort with American institutions have made them, as well as their community associations, more assertive in demanding redress of grievances and in competing for equity in employment, housing, business, and social benefits.
>
> Racially motivated acts of hate violence and intimidation are increasing. CRS, which alerted 392 such acts in 1988 and 426 in 1989, anticipates this trend to continue in the 1990's. Anti-minority incidents on college campuses, barely evident three years ago, reached 94 in 1989. Several campuses have seen the formation of white student unions which have been involved in backlash activities against minority students.

Use of force by and against police, as a result of intensifying violence accompanying the drug war.

Reception, Processing and Care of Cubans and Haitians

This activity is responsible for the reception, processing and care of Cuban and Haitian nationals as authorized by Title V, Section 50 (c) of P.L. 96-422, (The Refugee Education Assistance Act of 1980), and by Executive Order 12341 of January 21, 1982, transferring these functions to the Department of Justice. Through this activity, CRS provides outplacement, resettlement, medical and mental health care services to Cuban and Haitian nationals paroled by the Immigration and Naturalization Service (INS) from INS and Bureau of Prisons (BOP) detention facilities and St. Elizabeth's Hospital. These services are provided through grants and cooperative agreements with voluntary and private agencies and through an interagency agreement with the Public Health Service (PHS).

CRS halfway house and family sponsorship programs ensure that Mariel Cubans who are approved for release by the INS are rovided appropriate supervision and services upon their release in order to: protect the public safety; enable the individuals to achieve economic self-sufficiency without reliance on public assistance; and reduce the number of Mariel Cubans re-entering federal custody because of criminal conduct. CRS works closely with the INS, BOP, and PHS in outplacing Mariel Cubans approved for release by the INS. The INS and BOP look to CRS to relieve overcrowding problems, security concerns, and high detention costs.

CRS provides primary resettlement services to those Cuban and Haitian nationals who are paroled from INS Service Processing Centers for humanitarian reasons, under exclusionary bonds, and as unaccompanied minors. It also provides for secondary resettlement of Cuban and Haitian entrants whose initial resettlements, primarily in South Florida, proved unsuccessful. In addition, CRS provides resettlement and community follow-up services to Cuban and Haitian nationals discharged from community based residential psychiatric treatment programs administered by the PHS.

The program decrease in 1991 of $1,127,000 will result in a reduction in CRS' Mariel Cuban and Haitian resettlement capabilities. CRS' Cuban and Haitian Entrant Program will reduce the number of Mariel Cubans and Haitians resettled and serviced by a total of 315, including a reduction of 181 Mariel Cubans provided medical and mental health care.

With the requested level of funding, CRS will be able to outplace 440 detained Mariel Cubans through the halfway house program, 269 through the family/sponsorship program and 57 through its aftercare programs. In addition, 503 Cubans and Haitians will be provided primary resettlement assistance and 300 will be provided secondary resettlement assistance. PHS will be able to furnish 100 beds at St. Elizabeths Hospital for long-term care patients, perform 600 mental health evaluations, and perform comprehensive medical screenings on 2,583 Cubans and Haitians at the Krome Special Processing Center.

Community Relations Service

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses, Community Relations Service

For necessary expenses of the Community Relations Service, established
by title X of the Civil Rights Act of 1964, [$29,334,000], of which $28,172,000
not to exceed [$21,500,000] shall remain available until expended to make $20,214,000
payments in advance for grants, contracts and reimbursable agreements and
other expenses necessary under Section 501(c) of the Refugee Education
Assistance Act of 1980 (Public Law 96-422; 94 Stat. 1809) for the processing,
care, maintenance, security, transportation and reception and placement in the
United States of Cuban and Haitian entrants: Provided, That notwithstanding
section 501(e)(2)(B) of the Refugee Education Assistance Act of 1980 (Public
Law 96-422; 94 Stat. 1810), funds may be expended for assistance with respect
to Cuban and Haitian entrants as authorized under section 501(c) of such Act.

(Reorganization Plan No. 1 of 1966; Department of Justice Appropriation Act, 1990; additional authorizing legislation to be proposed.)

Explanation of changes:

No substantive changes proposed.

Legal Activities

Salaries and expenses, Community Relations Service

Crosswalk of 1990 Changes
(Dollars in thousands)

Activity/Program	1990 President's Budget Request			Congressional Appropriation Actions on 1990 Request			1990 Sequestration			Reprogrammings			1990 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1. Prevention and Conciliation of Community Disputes:															
a. Technical Assistance..........	6	6	$460	...	...	...	...	...	-$6	...	...	...	6	6	$454
b. Program Operations............	63	65	5,861	...	...	...	...	...	-79	...	...	...	63	65	5,782
c. Executive Direction and Control....................	13	13	1,304	...	...	...	...	...	-18	...	...	...	13	13	1,286
d. Administrative Services.......	6	6	378	...	...	...	...	...	-5	...	...	...	6	6	373
Subtotal....................	88	90	8,003	...	...	...	...	...	-108	...	...	...	88	90	7,895
2. Reception, Processing and Care of Cubans and Haitians..........	30	30	21,606	...	...	-$275	...	-1	-296	...	...	...	30	29	21,035
Total............................	118	120	29,609	...	...	-275	...	-1	-404	...	...	...	118	119	28,930

Congressional Appropriation Actions. The Congressional allowance for 1990 reflects a reduction of $275,000. The Administration has decided to apply the full reduction to the Reception, Processing and Care of Cubans and Haitians because the program's unobligated balance available at the end of 1989 can be applied to the 1990 program decrease.

1990 Sequestration. The reduced funding of $404,000 allows for a sequestration of 1.4 percent in 1990.

Legal Activities

Salaries and expenses, Community Relations Service

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
Department of Justice Appropriation Act, 1990	118	120	$29,334
1990 Sequestration	...	-1	-404
1990 Appropriation Anticipated	118	119	28,930
Mandatory increases	...	1	465
Decreases	...	...	-96
1991 base	118	120	29,299

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Prevention and Conciliation of Community Disputes	88	90	$7,895	88	90	$8,392	88	90	$8,392	...	...	...
2. Reception, Processing and Care of Cubans and Haitians	30	29	21,035	30	30	20,907	30	30	19,780	...	...	-$1,127
Total	118	119	28,930	118	120	29,299	118	120	28,172	...	...	-1,127
EOY Employment:	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp	Reimb.	Total	Approp.	Reimb.	Total
Full-time permanent	118	...	118	118	...	118	118	...	118	...	...	...
Other	4	...	4	4	...	4	4	...	4	...	...	...
	122	...	122	122	...	122	122	...	122	...	...	...

The distribution reflected in the President's Budget Appendix has been changed in the submission because the Administration has decided to apply the CRS' reduction in 1991 to the Reception, Processing and Care of Cubans and Haitians.

Legal Activities

Salaries and expenses, Community Relations Service

Summary of Resources by Program
(Dollars in thousands)

	1989 as Enacted			1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Prevention and Conciliation of Community Disputes																		
Technical Assistance....	6	6	$408	6	6	$404	6	6	$454	6	6	$482	6	6	$482	...	...	...
Program Operations......	63	65	5,294	63	65	5,243	63	65	5,782	63	65	6,147	63	65	6,147	...	...	...
Executive Direction and Control..........	13	13	1,155	13	13	1,144	13	13	1,286	13	13	1,367	13	13	1,367	...	...	...
Administrative Services.	6	6	334	6	6	331	6	6	373	6	6	396	6	6	396	...	...	...
Subtotal.............	88	90	7,191	88	90	7,122	88	90	7,895	88	90	8,392	88	90	8,392	...	...	...
Reception, Processing and Care of Cubans and Haitians.....	30	31	20,667	30	30	20,672	30	29	21,035	30	30	20,907	30	30	19,780	...	...	-$1,127
Total....................	118	121	27,858	118	120	27,794	118	119	28,930	118	120	29,299	118	120	28,172	...	...	-1,127
Other Workyears:																		
Holiday.................		...			...			...			...			...			...	
Overtime................		2			2			2			2			2			...	
Total Compensable workyears............		123			122			121			122			122			...	

The distribution reflected in the President's Budget Appendix has been changed in the submission because the Administration has decided to apply the CRS' reduction in 1991 to the Reception, Processing and Care of Cubans and Haitians.

Legal Activities

Salaries and expenses, Community Relations Service

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Prevention and Conciliation of Community Disputes	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Technical Assistance....................	6	6	$454	6	6	$482	6	6	$482	...	...	...
Program Operations.......................	63	65	5,782	63	65	6,147	63	65	6,147	...	...	...
Executive Direction and Control.........	13	13	1,286	13	13	1,367	13	13	1,367	...	...	...
Administrative Services.................	6	6	373	6	6	396	6	6	396	...	...	...
Total..................................	88	90	7,895	88	90	8,392	88	90	8,392	...	...	...

This budget activity includes resources for one of the two primary missions of the Community Relations Service. Funds requested for this activity are used to provide assistance in the form of service to communities in resolving disputes, disagreements, and difficulties arising from discriminatory practices based on race, color or national origin which impair the rights of citizens and threaten to disrupt peaceful relations.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Technical Assistance................	6	6	$454	6	6	$482	6	6	$482	...	...	...

Long-Range Goal: To enhance the delivery of expert conflict resolution services by conciliation specialists to disputes involving state and local officials and minority community groups.

Major Objectives:

To provide the field conciliation staff with technical resources and expertise to improve the effective achievement of dispute resolution.

To assist administration of justice agencies and their field operations to overcome problems that cause conflict and confrontation and to provide technical assistance on policies, procedures, and programs that reduce friction with the local community.

To assist school systems to reduce racial conflicts arising out of issues involving youth gangs, disproportionate discipline rates for minorities and lower performance levels for minorities.

To maintain a headquarters resource center of technical periodicals, articles and materials and model approaches pertaining to issues affecting the work of the Community Relations Service.

To coordinate and monitor casework to ensure quality, facilitate exchange of conciliation and mediation techniques, and track casework trends in order to best determine technical assistance needs.

Base Program Description: The Community Relations Service's conciliators and mediators in the regional offices are trained and experienced in the skills of dispute resolution and community conflict management. Often their role is that of a catalyst in highly sensitive and emotional situations, enabling resources within the community to combine in a new pattern in order to resolve a specific problem. Conciliators and mediators often require technical assistance in the specific matter of the dispute. Such assistance is provided by and through the Office of Technical Assistance and Support (OTAS). This program's function is therefore an integral part of the conciliation and mediation process. It improves program performance by providing field staff with essential background and technical information to more efficiently and effectively resolve disputes and by providing oversight to ensure a standard level of casework quality.

Various categories of cases are supported by OTAS through the work of staff program specialists whose role is to: 1) provide expert assistance on-site; 2) identify and arrange for the services of other experts as needed; 3) update the background and skills of field staff through training and the provision of materials; 4) coordinate the inter-regional transfer of experience and technology; 5) identify and distribute models of programs used successfully in other communities; 6) conduct special research to meet the needs of specific cases; and, 7) develop new program tools to respond to new types of problems.

Accomplishments and Workload: Accomplishments of the Technical Assistance program are presented in the following table:

Item	1988	1989	Estimates 1990	 1991
Case consultations	550	1,536	1,600	1,600
Items of technical information provided	2,560	3,240	3,300	3,300
Technical publications produced	2	0	2	4
Training models distributed	36	36	36	36
Status reports on case activity	4	25	52	52
Weekly case reports reviewed for quality assurance	...	4,800	10,400	10,400

Explanation

Case Consultation figures changed considerably due to three changes in the Technical Assistance program: the number of professional staff providing consultation doubled from 2 to 4; the staff is providing more mail and phone consultations as opposed to more costly on-site technical assistance; and, the newly established function of field coordinator reviews all Weekly Update Reports to alert specialists to need for consultations.

Figures for the Weekly Case Reports Reviewed reflect the hiring of a field coordinator in March of 1989. The field coordinator reviews approximately 200 case reports per week.

In 1989, 3,240 technical materials or service packages were provided to CRS staff in education, the administration of justice, and other program areas. It also conducted 1,536 consultations with regional staff on various cases. Major areas of CRS involvement continue to be conflicts arising from allegations of police use of deadly or excessive force, hate violence, and racial conflict on college campuses. OTAS has been active in coordinating national resources that address these issues. The office has focused on disseminating information about innovative and cooperative efforts between police agencies, college administrations, local government officials, and coalitions of minority groups.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Program Operations................	63	65	$5,782	63	65	$6,147	63	65	$6,147	...	...	...

Long Range Goal: Prevention and reduction of community conflict and violence related to racial or ethnic prejudice, discrimination, and denial of Constitutional rights.

Major Objectives:

To help resolve approximately 1,290 racial/ethnic disputes and conflicts.

To help local communities and state agencies to establish and improve their own procedures and mechanisms for preventing and resolving racial/ethnic disputes and conflicts.

Base Program Description: While disputes based on race, color or national origin occur throughout the United States, their nature and frequency vary from place to place, reflecting demographic, economic and social variables. Sweeping population movements into and within the country make many communities more vulnerable to critical conflict. Areas, which a short while ago were totally white, are becoming increasingly mixed; city after city which had been governed by white majorities are accommodating to the growing political power of racial and ethnic minorities; school systems are facing significant changes in racial balance. These changes give rise to anxiety and stress as people and institutions seek to adjust to changing customs, different languages, and competition for jobs and housing. Through careful assessment of more than 2,000 conflict situations to which the agency is alerted each year, only the most critical are accepted as cases. Through the techniques of conciliation and mediation, CRS enables the contesting parties to work out their differences through communication and give-and-take negotiation rather than on the streets or on a take-it-or-leave it basis that perpetuates grievances for future conflict. The negotiated resolution of conflicts, before they escalate, obviates the later need for more costly methods of settlement, including investigation, prosecution, and litigation.

Conflict areas which will require increased attention from CRS in 1991 include:

> The increasing violence accompanying the war on drugs is threatening to reverse a decade of progress in the reduction of fatal confrontations between police and minority communities. Pressure for relaxation of restraints on excessive use of force by police is beginning to endanger carefully cultivated patterns of community cooperation so essential in fighting drugs. CRS will be working increasingly with police agencies and community groups to strengthen community-police collaboration against drugs and crime and to resolve disputes between police agencies and minority communities over law enforcement response to crimes relating to drug trafficking.
>
> Anti-minority incidents on college campuses, barely evident as recently as four years ago, are brought to CRS' attention in increasing numbers. Heightened awareness by college administrators of underlying problems, and the CRS record for successful resolution of campus conflicts, increases the demand for CRS services each year.
>
> Racially motivated acts of hate violence and intimidation are increasing. CRS, which alerted 392 incidents in 1988 and 426 in 1989, anticipates this trend to continue in the 1990's.
>
> Cases involving newly legalized or arriving immigrants are becoming more visible and more complex. Not only is the number of legalized immigrants increasing, due to the Immigration Reform and Control Act, but immigrants' growing familiarity and comfort with American institutions have made them as well as their community associations more assertive in demanding redress of grievances and in competing for equity in employment, housing, business and social benefits.

Accomplishments and Workload: Accomplishments and workload of the Program Operations program are presented in the following table:

Item	1988	1989	Estimates 1990	 1991
Alerts received	1,905	2,031	2,200	2,200
Backlog (alerts, assessments and conciliation cases not completed)	650	951	1,360	1,680

Item	1988	1989	Estimates 1990	Estimates 1991
Assessments processed............................	1,654	1,420	1,450	1,450
Conciliation cases conducted......................	1,314	1,163	1,200	1,200
Conciliation cases closed.........................	988	715	730	730
Mediation cases conducted.........................	102	87	90	90
Mediation cases closed............................	71	52	55	55
Community tension appraisals conducted............	105	100	100	100

Explanation:

In the past year, CRS opened new avenues of communication and patterns of cooperation between police agencies and growing populations of newly legalized immigrants.

This trend, which will continue in the budget year and beyond, reflects both the changing nature of racial/ethnic controversy and a revised casework emphasis by CRS. With increasing frequency, minority groups are defining issues in terms of deep-rooted problems of equity which require long-range contractual solutions rather than temporary accommodation. Responding to that change, CRS is devoting more of its energies to helping the parties to recognize the need for and the possibilities of achieving fundamental and durable solutions to basic problems.

Backlog figures represent activities at the alert, assessment, and conciliation/mediation stages that have not been closed and transcend the fiscal year. Cases not completed within the average time span are usually not concluded due to the lack of travel money required to hold the requisite number of on-site conciliation sessions to have parties reach agreement. Many cases held over for the following fiscal year increase requirements for travel monies.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control...	13	13	$1,286	13	13	$1,367	13	13	$1,367	...	...	...

Long-Range Goal: To implement those principal areas of activity by which the Director establishes and plans policies and programs; and directs, monitors, controls, and evaluates their execution.

Major Objectives:

To develop and implement agency policy and provide management and supervision that assures maximum agency service delivery.

To conduct and coordinate pertinent communications with the public, other Departments, Federal agencies, and the Congress.

To provide legal review and analysis to headquarters and field personnel.

To collect and analyze information on the nature, level, and geographic distribution of community tensions.

To coordinate program planning, related to all levels, for operational analysis and evaluation.

To evaluate and assure the quality of CRS services.

To monitor casework activity and maintain casework records.

To manage and implement the agency's Automated Data Processing and Office Automation program.

Base Program Description: This program is responsible for establishing policy for planning and budgeting programs, and for directing, monitoring, controlling, and evaluating program execution. The functions of executive direction and control are performed directly within the Office of the Director and the Office of Planning, Budget, and Evaluation.

Efficient utilization of agency personnel and funds is made possible through the Operational Planning System, a cyclical process involving the planning of programs in response to guidance provided; the reporting, monitoring and evaluation of program implementation; the study of program and policy issues; and the provision of quality assurance and review.

Accomplishments and Workload: Accomplishments of the Executive Direction and Control program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Office plans reviewed and approved	14	17	16	16
Reports on statistical evaluation and analysis of operations	4	4	4	4
Operational Data Reports/Queries	40	45	50	50
Responses to public/Congressional inquiries	50	331	340	340
Responses to FOIA/PA inquiries	55	15	20	20
Responses to requests for legal assistance from regional offices	720	735	740	740
Studies on Proposed Legislation	5	2	2	2
Judicial and Legislative items for review	750	790	790	790
Directives revised/published	4	9	10	10

Explanation:

A full-time Media Affairs Officer was appointed during the last quarter of FY 1988. Prior to that time, CRS' public media and press relations were handled by the Public Information Office at the Departmental level.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Services...........	6	6	$373	6	6	$396	6	6	$396	...	...	...

Long-Range Goal: To improve operational efficiency and internal controls in the delivery of personnel, procurement, financial management, and other administrative support services.

Major Objectives:

To provide timely advisory services to all management levels on technical matters related to administrative services.

To provide timely fiscal control and effective management over resources flowing to and from the Service.

To provide timely processing of all administrative related requests for space, security, procurement, travel and financial reimbursement.

Base Program Description: A wide range of administrative support, personnel, financial, and procurement services are provided by the Administrative Office to CRS' headquarters and 10 regional offices. The program provides direct input of vouchers, personnel requests, requests for goods and services, obligating documents, inventory control, etc., to the Justice Management Division's accountability systems.

Accomplishments and Workload: Accomplishments of the Administrative Services program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Personnel and payroll actions processed..........	228	535	600	600
Procurement actions processed....................	632	316	350	350
Financial records Created........................	4,500	1,063	1,100	1,100
Administrative Services (i.e., supply requests telephone requests, space and travel reports)..	...	903	1,000	1,000
Special reports Prepared.........................	80	80	80	80

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Activity: Reception, Processing and Care of Cubans and Haitians..	30	29	$21,035	30	30	$20,907	30	30	$19,780	...	...	-$1,127

Long-Range Goal: To administer the orderly placement and resettlement of Cuban and Haitian entrants in such a manner as to avoid community conflict and minimize the impact on public resources and safety, and to provide shelter care and family reunification services to alien unaccompanied minors in the legal custody of the Immigration and Naturalization Service (INS).

Major Objectives:

To relieve the burden on federal detention facilities caused by the return of Mariel Cubans to INS custody from federal, state and local criminal justice systems. To accomplish this, CRS intends to resettle approximately 709 of the projected 783 Mariel Cubans expected to be approved for release by the INS through CRS halfway house and family sponsorship programs.

To provide appropriate resettlement services to approximately 628 Cuban and Haitian nationals, including unaccompanied minors, who are paroled for humanitarian reasons by the INS from its Krome Service Processing Center. CRS will accomplish this through grants and cooperative agreements with voluntary agencies for provision of shelter care, child welfare, and resettlement services.

To provide secondary resettlement services, through grants and cooperative agreements with voluntary agencies, to approximately 300 Cuban and Haitian nationals living in South Florida whose initial resettlements did not lead to their achievement of economic self-sufficiency. This assistance will reduce the impact of this population upon state and local resources.

To provide cost-effective health and mental health care services to the Cuban and Haitian nationals in federal custody at the Krome Service Processing Center and at St. Elizabeth's Hospital and to provide community-based mental health treatment programs for Mariel Cubans paroled from INS detention. CRS will accomplish this through an interagency agreement with the U.S. Public Health Service (PHS).

To reduce the impact on state and local health and mental health care services by providing resettlement and community follow-up services to about 57 Cuban nationals who have been discharged from PHS psychiatric treatment programs and who are ready to make the transition to independent living.

Base Program Description: This activity is responsible for the reception, processing, and care of Cuban and Haitian nationals as authorized by Title V, Section 501 (c) of P.L. 96-422 (The Refugee Education Assistance Act of 1980), and by Executive Order 12341 of January 21, 1982, transferring these functions to the Department of Justice. Through this activity, CRS provides outplacement, resettlement, medical and mental health care services to Cuban and Haitian nationals paroled by INS from INS and the Bureau of Prisons (BOP) detention facilities and from St. Elizabeth's Hospital, and medical and mental health care services to Cuban and Haitian nationals in Federal detention at the Krome Service Processing Center and at St. Elizabeth's Hospital. Services are provided to eligible individuals through the award of grants to, and entry into cooperative agreements with, voluntary and private agencies, and through the operation of an interagency agreement with the Public Health Service (PHS).

The primary populations served include certain Cubans who arrived in the United States during the Mariel Boatlift of 1980, and those Haitians who arrived in 1980 and each year thereafter and who have been detained subsequently by INS for undocumented entry into the United States.

CRS' outplacement and resettlement services for Cuban and Haitian nationals include the following activities.

Outplacement of Mariel Cubans from Detention: CRS provides outplacement services to Mariel Cubans reparoled by INS from INS and BOP detention facilities. Such outplacement services are rendered through operation of halfway house and family sponsorship programs. Outplacement through CRS halfway houses provides highly structured residential and community based service components for Mariel Cubans whose histories and needs dictate substantial support and supervision in order to become self sufficient. Outplacement through family sponsorship provides transitional assistance to individuals whose criminal histories and circumstances do not require intensive residential or community supervision.

Outplacement of Cuban and Haitian nationals from the INS Krome Service Processing Center: CRS provides primary resettlement services to Cuban and Haitian nationals, including unaccompanied minors, who are paroled from INS detention under exclusionary bonds, or for humanitarian reasons. Services provided include child welfare, resettlement and outplacement services.

Secondary Resettlement Services: CRS provides secondary resettlement assistance to Cuban and Haitian entrants whose initial resettlement did not lead to economic self sufficiency. Such activities generally provide for resettlement of clients from areas impacted by heavy influxes of aliens to communities that present greater economic and employment opportunities. Emphasis is placed upon employment development, placement and retention.

Aftercare for Mentally Ill Cubans: CRS provides resettlement services and community based follow-up services to Cuban entrants discharged from PHS community-based psychiatric treatment programs into more normalized systems of living, which will fully prepare them for self sufficiency.

Health Services: Through an interagency agreement with PHS, CRS provides medical and mental health services to Cuban and Haitian nationals detained at the INS/Krome Special Processing Center; mental health care at St. Elizabeth's Hospital and community-based psychiatric treatment programs; and mental health evaluation of Mariel Cubans considered for reparole by INS

Accomplishments and Workload: Accomplishments of the Reception, Processing and Care activity are presented in the following tables:

	1988	1989	Estimates 1990	Estimates 1991
Entrant Population				
Mariel Cubans Revoked to Federal Custody	1,080	1,080	2,594	2,594
Mariel Cubans in BOP facilities, beginning of year	...	1,314	1,570	1,570
Mariel Cubans in INS SPC's, beginning of year	383	51	38	38
Mariel Cubans in Contracted State and Local Detention Facilities, beginning of year	739	908	849	849
Entrants in long-term health and mental care	287	297	137	137
Cubans and Haitians in INS/Krome at beginning of year	255	275	342	376
Mariel Cubans Approved for Release by the INS	2,280	600	783	783
CRS Resettlements				
Mariel Cubans Outplaced from INS/BOP Detention Facilities:				
- Through CRS Halfway House Program	456	480	470	440
- Through CRS Family Sponsorship Program	177	85	280	269
Cubans and Haitians Resettled from the INS/Krome SPC:				
- Adults & Accompanied Minors	118	548	548	503
- Unaccompanied Minors/Shelter Care	326	125	125	125
Secondary Resettlement Assistance in South Florida	321	330	330	300
Aftercare for Mariel Cubans Completing PHS Programs	19	61	75	57

Explanation:

- Workload presented for primary and secondary resettlement of Cubans and Haitians in 1990 and 1991 reflect current best estimates of CRS based upon 1989 workload. Projections for 1990 are higher than those presented in previous submissions. This reflects the elevated level of Haitian migration to the United States, particularly South Florida, and the potential for increase in that rate resulting from political turbulence in Haiti.

- As Haitian entrants have adjusted their status through the Immigration Reform and Control Act, many have sought CRS assistance in building a permanent and better life in the United States. The number of entrants in South Florida seeking CRS secondary resettlement services has increased significantly. There is no sign that the need is abating; housing and employment opportunities in South Florida remain extremely limited, and the concentration of entrants in the area intensifies.

Adjusted workload presented for outplacement of Mariel Cubans in 1990, and 1991 reflect current best estimates of CRS and INS. Outplacements for 1989 were lower than projected because of the delay in start-up of the Departmental Review Panel process in 1989, lower than anticipated monthly review rates for both the Departmental Panels and the Cuban Review Panels, and lower than expected rates of approval for release for both the Departmental Panels and the Cuban Review Panels.

There are currently about 2,594 Mariel Cubans in federal custody, and another 3,000 in state and local detention facilities awaiting return to federal custody. The loss of the 2,400 detention spaces at the Atlanta and Oakdale detention facilities as a result of the November 1987 riots has caused serious problems of overcrowding and safety in the INS and BOP detention facilities housing Mariel Cubans. In the first half of 1989, the number of Mariel Cubans approved for release was drastically reduced due to the above mentioned factors. Because of the decrease in Cubans approved for release in FY 1989, CRS reduced its FY 1989 outplacement capacity to 565. In an effort to outplace the Mariel Cubans expected to be approved for release in 1990, CRS will increase its outplacement capacity in FY 1990. It is estimated that during 1990, approximately 783 will be approved for release from among those Mariel Cubans still in detention, as well as those returned to INS custody from federal, state and local criminal justice systems. It is estimated 783 Mariel Cubans will be approved for release in 1991. The release of these individuals depends on the availability of appropriate halfway house programs or family sponsors. CRS projects outplacement of approximately 750 Mariel detainees in FY 1990 and 709 in FY 1991.

			Estimates	
	1988	1989	1990	1991
PHS Services				
Health and mental health care:				
- Long-term care residents at:				
Federal facilities (PHS)................................	110	110	110	100
Non-Federal facilities (PHS)............................	187	187	153	153
- Individuals in need of long-term care....................	300	300	322	322
- Short-term Care:				
Clinic visits..	8,500	8,350	8,350	8,204
Hospital days*...	510	260	260	260
Mental Health evaluations:**				
PHS/INS Facility (SEH)................................	1,000	624	624	600
AFP, FADC and other facilities.......................	550	700	700	900

* Includes medical hospitalization at St. Elizabeth's Hospital (SEH).

** The Public Health Service (PHS) has limited evaluations to: brief screenings of all returnees; further evaluations as indicated by screening or requested by INS; and, repatriation summaries. Beginning in 1987, only mental health screening on returned entrants and evaluations required by INS or CRS were completed. SEH's full capacity was utilized and every admission called for mental health evaluation and further work-up as indicated (an estimated 3 evaluations per admission through 1986 and 5 per admission in 1987-1990).

Item	1988	1989	Estimates 1990	 1991
Grant Activities:				
Grant Proposals Processed:				
- CRS	7	4	4	4
Grants Awarded:				
- CRS	20	18	18	15
- PHS	4	3	3	4
Agencies Receiving Grants:				
- CRS	15	11	10	10
- PHS	4	3	3	4
On-Site Visits:				
- CRS	115	60	40	40
- PHS	16	10	10	8

Program Changes:	1991 Base Perm. Pos.	 WY	 Amount	1991 Estimate Perm. Pos.	 WY	 Amount	Increase/Decrease Perm. Pos.	 WY	 Amount
Reception, Processing and Care of Cubans and Haitians	30	30	$20,907	30	30	$19,780	...	...	-$1,127

The program decrease in 1991 of $1,127,000 will result in a reduction in CRS' Mariel Cuban and Haitian resettlement capabilities. CRS' Cuban and Haitian Entrant Program would be forced to reduce the number of Mariel Cubans and Haitians resettled and serviced by a total of 315, including a reduction of 181 Mariel Cubans provided medical and mental health care.

With the requested level of funding, CRS will be able to outplace 440 detained Mariel Cubans through the halfway house program, 269 through the family/sponsorship program and 57 through its aftercare programs. In addition, 503 Cubans and Haitians will be provided primary resettlement assistance and 300 will be provided secondary resettlement assistance. PHS will be able to furnish 100 beds at St. Elizabeths Hospital for long-term care patients, perform 600 mental health evaluations, and perform comprehensive medical screenings on 2,583 Cubans and Haitians at the Krome Special Processing Center.

Legal Activities

Salaries and expenses, Community Relations Service

Financial Analysis - Program Changes

	Reception, Processing and Care of Cubans and Haitians
Grants...........................	-$450,800
Other Services..................	-676,200
Total...........................	-1,127,000

Legal Activities

Salaries and expenses, Community Relations Service

Priority Rankings

Base Program

Program	Ranking
Reception, Processing and Care of Cubans and Haitians	1
Program Operations	2
Technical Assistance	3
Administrative Services	4
Executive Direction and Control	5

Legal Activities

Salaries and expenses, Community Relations Service

Detail of Permanent Positions by Category

Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1991 Request
Attorneys (905)..	1	1	1
Regional Directors (340)............................	10	10	10
Senior Conciliation Specialists (301)..........	10	10	10
Conciliation Specialists (301)....................	39	39	39
Technical Assistant Specialists..................	4	4	4
Accounting and Budget (500-599)................	2	2	2
General Admin., Clerical and Office Services (300-399)......................................	52	52	52
Total...	118	118	118
Washington..	32	32	32
U.S. Field*..	86	86	86
Total...	118	118	118

*Includes 7 positions for field offices in the Washington, D.C.

Legal Activities
Salaries and expenses, Community Relations Service
Schedule of Motor Vehicles

Method of Acquisition and Type of Vehicle	1988 End-of Year Inventory	1989			1990			1991			
		Acquired	Disposed	End-of-Year	Acquired	Disposed	End-of-Year	Acquired	Average Cost	Disposed	End-of-Year
Leased:											
Large sedan	1	...	...	1	...	...	1	...	...	...	1
Midsize sedan	10	...	...	10	...	...	10	...	...	...	10
Compact sedan	11	...	...	11	...	...	11	...	...	...	11
Subcompact sedan	5	...	...	5	...	...	5	...	...	...	5
Station wagon	1	...	...	1	...	...	1	...	...	...	1
Subtotal Leased	28	...	...	28	...	...	28	...	...	...	28
Total Vehicles	28	...	...	28	...	...	28	...	...	...	28

Legal Activities

Salaries and expenses, Community Relations Service

Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Department of Justice Appropriation Act, 1990	118	120	$29,334
1990 Sequestration	...	-1	-404
1990 Appropriation Anticipated	118	119	28,930
Adjustments to base:			
Mandatory increases:			
Adjustment to workyears	...	1	...
One additional compensable day	...	...	29
1990 full-year pay increase impact on 1991[1]	...	...	274
1991 pay increase	...	...	101
Senior Executive Service pay increase	...	...	21
Special Salary Rates	...	...	3
Health benefits	...	...	29
GSA Rent	...	...	5
GPO printing costs	...	...	2
Employee data and payroll services	...	...	1
Total, mandatory increases	...	1	465
Decreases:			
Federal Telecommunications System	...	...	-96
1991 Base	118	120	29,299
Program changes[1]:			
Reception, Processing and Care of Cubans and Haitians	...	...	-1,127
1991 Estimate	118	120	28,172

[1] The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

Legal Activities

Salaries and expenses, Community Relations Service

Justification of Adjustments to Base
(Dollars in thousands)

Adjustments to base:

Mandatory increases:

		Work-Years	Amount
1.	Adjustment to workyears With the absorption of the pay raise a workyear could not be funded in 1990. This restores that workyear; funding is provided below.	1	...
2.	Additional compensable day The annual salary rate for Federal employees is based on 260 paid days. During 1991 there is one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.	...	$29
3.	1990 full-year pay increase impact on 1991 This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $274,000 is the amount required for full-year funding in 1991. NOTE: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.	...	274
	1991 pay increase For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This request provides for 50 percent of the proposed 4.0 percent pay increase effective in January of 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $101,000, is the cost of the pay increase for approximately three-quarters of the year assuming a 50-percent absorption.	...	101

OPENING STATEMENT

Mr. MOLLOHAN. The committee is pleased to welcome back the Director of the Community Relations Service, Grace Flores Hughes. Ms. Flores Hughes, the committee would like to welcome you, and we will, if you have a written statement, we will be pleased to make that a part of the record. You may proceed with your oral presentation.

Ms. FLORES HUGHES. Thank you. Accompanying me, I also would like to introduce my Budget Officer, Ms. Alfreda Hayes.

CRS is responsible for two major programs. One program, the Prevention and Conciliation of Community Disputes, addresses racial and ethnic tension, and carries out CRS' earliest legislative mandate.

The second program, the Reception, Processing, and Care of Cubans and Haitians, provides humanitarian, placement and resettlement assistance, and fulfills responsibilities transferred to the Department by Executive Order 12341 in 1982. Both of these programs help ensure domestic racial and ethnic tranquility.

For 1991, CRS requests $28,172,000; 118 permanent positions; and 120 workyears. This request represents a net decrease of $758,000 from the 1990 appropriation. It includes inflationary adjustments of $369,000 for the agency, offset by a program decrease of $1,127,000, which is applied to the Reception, Processing, and Care of Cubans and Haitians Program.

In 1989, America marked passage of a quarter of a century since the enactment of the Civil Rights Act of 1964, and the establishment of the CRS.

I reaffirm what President Bush said in his 1990 State of the Union Address: "Every one of us must confront and condemn racism, anti-Semitism, bigotry and hate. Not next week, not tomorrow, but right now. Every single one of us."

CRS' principal responsibilities involve working directly with public officials and leaders in local communities. This is not easy work. It requires the seasoned judgment of conciliation specialists who must be sensitive and discreet. Often, the conflicts are marked by violence.

Also, racial and ethnic disputes are becoming more complex, requiring greater sophistication and specialization by our staff. The relatively small investment to support the work of this staff of conflict resolution specialists is well-spent.

When we look around the world today, we see that nations without institutions and agencies for peaceful resolution of ethnic and racial tensions continue to be torn apart by conflict and violence.

As we enter into the last decade of the 20th century, it is apparent that much has been accomplished in civil rights in America since 1964. Yet, it is equally clear that much remains to be done. The dynamic nature of American society presents ever-changing opportunities and challenges for its institutions.

Demographic change brings with it the possibility for racial and ethnic tension and confrontation. During the last several years, many communities throughout the Nation have experienced conflict as racial and ethnic minorities arrive in search of better lives. The accompanying transitions present new and different issues that must be addressed by neighbors and by local governments, law enforcement agencies, employers, landlords and school officials.

COMMUNITY DISPUTE ACCOMPLISHMENTS

According to CRS' records, disputes arising out of racially-motivated acts of hate, violence and intimidation have increased in recent years. It is noteworthy that CRS identified more racial and ethnic conflicts in 1989 than in any other year.

The number of CRS responses to racial unrest and hate violence increased last year. This trend was acutely apparent on college and university campuses. Perhaps this trend is understandable if we remember that universities, as microcosms of American society, are bringing people together into close quarters who may have fears and misconceptions about those different from themselves.

CRS anticipates that the resolution of racial and ethnic conflicts impacting recent immigrants to the United States will command increasing attention during 1990 and 1991. Two principal factors will contribute to this need: The number of newly-legalized aliens is increasing as a result of the Immigration Act. Further, as they become more comfortable with and confident about American institutions, newly-legalized aliens are becoming more assertive in their desire for equality in employment, housing, business, and social benefits.

The problem of drug abuse in America has particularly profound implications for racial and ethnic tension for the foreseeable future. Street gangs and drug crime are prevalent within public housing projects in communities heavily populated by racial and ethnic minorities. The violence accompanying the war on drugs has increased police-community friction and created concern over allegations of excessive use of force by police.

CRS is helping reduce racial and ethnic tensions arising out of street gang activity and law enforcement response to drug crimes. CRS is extending application of a model approach to combating drug crime in public housing.

In partnership with the Drug Enforcement Administration, Federal Bureau of Investigation, U.S. Marshals Service, U.S. Attorneys, and local law enforcement agencies, CRS is delivering a number of important services to public housing tenants. Under this approach, CRS conciliates agreements between law enforcement entities, public housing management, and tenant associations regarding how public housing will be patrolled and secured by police; how community watch groups will relate to police; how youth and recreational programs can be developed as alternatives to drugs, and how police will respond to calls from tenants.

CRS routinely works with community-based projects addressing the war against crime. For example, in the Southwest Region, CRS pursued the war against crime and drugs by enlisting the support of the corporate sector to adopt a community and implement programs to reduce drug abuse and crime.

CRS' Rocky Mountain Region supported a grass-roots effort in Denver that addressed street gangs and drug crimes. CRS provided a task force model, technical assistance and liaison services to the Denver Police and concerned residents. CRS also assisted this task force to put in place a community school pilot project and junior achievement and summer employment programs.

To combat serious racial violence and address hate group activity, CRS has been instrumental in the formation of several multi-State coalitions against malicious harassment. CRS also convened a forum for college presidents to map out strategies to improve the campus racial and ethnic climate.

We foresee no reduction in demand for services under CRS' Prevention and Conciliation of Community Disputes Program. Instead, we expect that CRS will record 2,200 incidents of racial and ethnic conflict, annually, this year and next, up from the 1989 level of 2,031. We also anticipate that CRS will handle 1,290 cases annually in the same period, as opposed to 1,250 in 1989.

RECEPTION, PROCESSING, AND CARE PROGRAM

With respect to the Reception, Processing, and Care of Cubans and Haitians program, CRS provides outplacement, resettlement, medical and mental health care services to Cubans and Haitians paroled from Immigration and Naturalization Service detention.

We anticipate that the demand for outplacement of Mariel Cubans will continue as these individuals continue to be returned to Federal custody at the rate of 80 to 100 per month. The Department's Repatriation and Re-Parole Review Panels are fully operational and adding to the pool of Mariels awaiting outplacement.

The requested level of funding will enable CRS to outplace 440 detained Mariel Cubans through its halfway house program, 269 through its family sponsorship program, and 57 through its aftercare program.

CRS will also provide primary and secondary resettlement services to 803 Cubans and Haitians. Further, through an interagency agreement with the Public Health Service, CRS will provide 100 long-term care hospital beds, conduct 600 mental health evaluations, and perform comprehensive medical screenings on 2,583 Cubans and Haitians in 1991. The Cuban and Haitian Program allows the U.S. Government to both respond to complex legal and humanitarian issues and protect the public safety.

This concludes my statement, Mr. Chairman. I welcome the opportunity to respond to questions.

[The prepared statement of Ms. Flores Hughes follows:]

	Work-Years	Amount
5. Senior Executive Service pay increase This request represents the 1991 costs of the pay increase for senior executive service employees. This pay raise is to be effective in January of 1990, but will be absorbed completely for the first year. In 1991, an increase of $21,000 is necessary for this requirement. Funding for the executive level employees pay raise is completely absorbed in both years.	...	$21
6. Special salary rates This request provides increases as authorized by law in 5 U.S.C. 5303. This Office of Personnel Managment (OPM) has approved these rates for positions where retention and recruitment of qualified applicants is a problem. The Department's request represents coverage of 33 authorized special rates.	...	3
7. Health benefits The Federal Employees Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1990, the actual contribution to health insurance increased 25 percent. The requested increase of $29,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.	...	29
8. GSA rent GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. A mandatory increase of $5,000 is required to meet our commitment to GSA.	...	5
9. Government Printing Office (GPO) The GPO is currently projecting a seven-percent increase over the 1990 printing costs of $3[illegible]00. An additional $2,000 will be required in 1991.	...	2

	Work-Years	Amount
10. Employee data and payroll services Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems, maintenance and payroll accounting, are based on the number of employee records maintained. The rate of $188.23 per record in 1990 will be raised to $199.52 per record for 1991. The change is based on anticipated uncontrollable cost increases of 6 percent for the operation of the Justice Employee Data Service. An increase of $1,000 will be required in 1991.	...	$1
Total mandatory increases	1	465
Decreases (Automatic non-policy):		
1. Federal Telecommunications System (FTS) In 1991, the General Services Administration (GSA) is to have the FTS 2000 system fully implemented. At present GSA projections indicate costs for current FTS minute usage charges will decrease from 34 cents per minute to 18 cents per minute. The requested reduction of $96,000 reflects this decrease.	...	-96
Total, adjustments to base	1	369

Legal Activities

Salaries and expenses, Community Relations Service

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1989 Actual Positions & Workyears	1989 Actual Amount	1990 Estimate Positions & Workyears	1990 Estimate Amount	1991 Request Positions & Workyears	1991 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level IV, $83,600......	1		1		1		...	
ES-4, $79,200....................	1		1		1		...	
GS/GM-15, $59,216-76,982.........	17		17		17		...	
GS/GM-14. $50,342-65,444.........	24		24		24		...	
GS/GM-13, $42,601-55,381.........	39		39		39		...	
GS-12, $35,825-46,571............	8		8		8		...	
GS-11, $29,891-38,855............	4		4		4		...	
GS-10, $27,206-35,369............	1		1		1		...	
GS-9, $24,704-32,121.............	3		3		3		...	
GS-8, $22,367-29,081.............	14		14		14		...	
GS-7, $20,195-26,252.............	2		2		2		...	
GS-6, $18,174-23,628.............	1		1		1		...	
GS-5, $16,305-21,201.............	2		2		2		...	
GS-4, $14,573-18,947.............	1		1		1		...	
1991 pay increase................	...		...		...	$101	...	$101
Total, appropriated positions..	118	$5,868	118	$5,735	118	5,844	...	109
Pay above stated annual rates....	...	...	...	...	...	25	...	25
Lapses...........................	...	...	-1	-50	...	...	1	50
Savings due to lower pay scales for part of year..............	...	-82	...	-57	...	...	...	57
Net full-time permanent......	118	5,786	117	5,628	118	5,869	1	241
Other than permanent:								
Part-time permanent............	2	142	2	142	2	142	...	...
Other personnel compensation:								
Overtime.........................	2	31	2	90	2	90	...	...
Special personal services payments	...	-12	...	...	...	...	...	...
Total, workyears and personnel compensation..	122	5,947	121	5,860	122	6,101	1	241
Average ES Salary...............		($76,400)		($79,200)		($97,000)		
Average GS/GM Salary...........		($48,517)		($48,034)		($48,741)		
Average GS/GM Grade............		(12.2)		(12.2)		(12.2)		

Legal Activities

Salaries and expenses, Community Relations Service

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1989 Actual		1990 Estimate		1991 Request		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
11.1 Full-time permanent	118	$5,786	118	$5,628	118	$5,869	1	$241
11.3 Other than full-time permanent	2	142	1	142	2	142	...	...
11.5 Other personnel compensation	2	31	2	90	2	90	...	...
11.8 Special personal services payments	...	-12	...	...	...	...	...	...
Total	122	5,947	121	5,860	122	6,101	1	241
Other objects:								
12 Personnel benefits		811		712		741		29
13 Benefits for former personnel		4		16		16		...
21 Travel and transportation of persons		746		880		880		...
22 Transportation of things		34		25		25		...
23.1 GSA rent		964		1,006		1,011		5
23.2 Rental payments to others		37		25		25		...
23.3 Communications, utilities and miscellaneous charges		540		618		618		...
24 Printing and reproduction		29		39		41		2
25 Other Services		13,155		13,104		12,583		-521
26 Supplies and materials		82		100		100		...
31 Equipment		92		102		102		...
41 Grants, subsidies, and contributions		5,352		8,807		7,307		-1,500
42 Insurance, claims, indemnities		1		...		...		...
Total obligations	122	27,794	121	31,294	122	29,550	1	-1,744
Relation of obligations to outlays:								
Unobligated balance, start-of-year		-4,011		-4,305		-1,941		
Unobligated balance, transferred, net		-300		...		...		
Unobligated balance, end-of-year		4,305		1,941		563		
Unobligation balance lapsing		70		...		...		
Total requirements		27,858		28,930		28,172		
Relation of obligations to outlays:								
Total obligations		27,794		31,294		29,550		
Obligated balance, start-of-year		11,470		14,166		5,424		
Obligated balance, end-of-year		-14,166		-5,424		-6,318		
Adjustments in expired accounts		-355		...		...		
Outlays		24,743		40,036		28,656		

Legal Activities

Salaries and expenses, Community Relations Service

Consulting and Related Services
(Dollars in thousands)

	1989 Actual	1990 Estimate	1991 Estimate
Consulting Services..	$9	$16	$16
Special Studies and Analysis..	25	3	...
Total..	34	19	16

Consultants' services are used by the Community Relations Service only for those assignments which cannot be performed in-house.

The Community Relations Service uses consultants in various specialized areas of education and the administration of justice to assist field staff in helping to resolve disputes and working with community groups and major institutional leaders. Examples are police departments, school superintendents and school staff as well as community organizations which generally are led by business persons, as well as, civil rights organizations. Consultant services were reduced in 1989 because of budget constraints.

In addition, in 1989, CRS contracted with an ADP Consultant firm to examine the activities, programs, organization, and existing automation systems with a view to recommending an Automated Information Systems architecture, organizational support and training strategies to implement the recommendations. An additional $3,000 is needed for follow-up activities in 1990.

DEPARTMENT OF JUSTICE
COMMUNITY RELATIONS SERVICE

STATEMENT OF THE DIRECTOR
GRACE FLORES HUGHES

BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to testify in support of the Community Relations Service's (CRS') budget request for FY 1991.

CRS is responsible for two major programs. One program, the Prevention and Conciliation of Community Disputes, addresses racial and ethnic tension, and carries out CRS' earliest legislative mandate. The second program, the Reception, Processing, and Care of Cubans and Haitians, provides humanitarian, placement, and resettlement assistance, and fulfills responsibilities transferred to the Department by Executive Order 12341 in 1982. Both of these programs help ensure domestic racial and ethnic tranquility.

For 1991, CRS requests $28,172,000; 118 permanent positions; and 120 workyears. This request represents a net decrease of $758,000 from the 1990 appropriation. It includes inflationary adjustments of $369,000 for the agency, offset by a program decrease of $1,127,000, which is applied to the Reception, Processing and Care of Cubans and Haitians Program.

In 1989, America marked passage of a quarter of a century since the enactment of the Civil Rights Act of 1964, and the establishment of CRS.

Title X of the Civil Rights Act of 1964 mandated that CRS "...Provide assistance to communities and persons therein in resolving disputes, disagreements, or difficulties relating to discriminatory practices based on race, color, or national origin which impair the rights of persons...under the Constitution or laws of the United States...." By helping communities cope with racial and ethnic conflicts, CRS helps these communities secure justice and equality of opportunity for all.

I reaffirm what President Bush said in his 1990 State of the Union Address: "Everyone of us must confront and condemn racism, anti-semitism, bigotry and hate. Not next week, not tomorrow, but right now. Every single one of us."

CRS' principal responsibilities involve working directly with public officials and leaders in local communities. This is not easy work. It requires the seasoned judgement of conciliation specialists who must be sensitive and discreet. Often the conflicts are marked by violence. Also racial and ethnic disputes are becoming more complex, requiring greater sophistication and specialization by our staff. The relatively small investment to support the work of this staff of conflict resolution specialists is well spent. When we look around the world today, we see that nations without institutions and agencies for peaceful resolution of ethnic and racial tensions continue to be torn apart by conflict and violence.

As we enter into the last decade of the twentieth century, it is apparent that much has been accomplished in civil rights in America since 1964. Yet, it is equally clear that much remains to be done. The dynamic nature of American society presents ever-changing opportunities and challenges for its institutions.

Demographic change brings with it the possibility of racial and ethnic tension and confrontation. During the last several years, many communities throughout the nation have experienced conflict as racial and ethnic minorities arrive in search of better lives. The accompanying transitions present new and different issues that must be addressed by neighbors and by local governments, law enforcement agencies, employers, landlords, and school officials.

According to CRS' records, disputes arising out of racially motivated acts of hate violence and intimidation have increased in recent years. It is noteworthy that CRS identified more racial and ethnic conflicts in 1989 than in any other year. The number of CRS responses to racial unrest and hate violence increased last year. This trend was acutely apparent on college and university campuses. Perhaps this trend is understandable if we remember that universities, as microcosms of American society, are bringing people together into close quarters who may have fears and misconceptions about those different from themselves.

CRS anticipates that the resolution of ethnic and racial conflicts impacting recent immigrants to the United States will command increasing attention during 1990 and 1991. Two principal factors will contribute to this need. The number of newly legalized aliens is increasing as a result of the Immigration Reform and Control Act. Further, as they become more comfortable with and confident about American institutions, newly legalized aliens are becoming more assertive in their desire for equality in employment, housing, business, and social benefits.

The problem of drug abuse in America has particularly profound implications for racial and ethnic tension for the foreseeable future. Street gangs and drug crime are prevalent within public housing projects in communities heavily populated by ethnic and racial minorities. The violence accompanying the war on drugs has increased police-community friction and created concern over allegations of excessive use of force by police.

CRS is helping reduce racial and ethnic tensions arising out of street gang activity and law enforcement response to drug crimes. CRS is extending application of a model approach to combating drug crime in public housing. In partnership with the Drug Enforcement Administration, Federal Bureau of Investigation, U.S. Marshals Service, U.S. Attorneys, and local law enforcement agencies, CRS is delivering a number of important services to public housing tenants. Under this approach, CRS conciliates agreements between law enforcement entities, public housing management, and tenant associations regarding how public housing will be patrolled and secured by police; how community watch groups will relate to police; how youth and recreational programs can be developed as alternatives to drugs, and how police will respond to calls from tenants.

CRS routinely works with community-based projects addressing the war against crime. For example, in the Southwest Region, CRS pursued the war against crime and drugs by enlisting the support of the corporate sector to adopt a community and implement programs to reduce drug abuse and crime. CRS' Rocky Mountain Region supported a grass-roots effort in Denver that addressed street gangs and drug crimes. CRS provided a task force model, technical assistance and liaison services to the Denver police and concerned residents. CRS also assisted this task force to put in place a community school pilot project and junior achievement and summer employment programs.

To combat serious racial violence and address hate group activity, CRS has been instrumental in the formation of several multi-state coalitions against malicious harassment. CRS also convened a forum for college presidents to map out strategies to improve the campus racial and ethnic climate.

We foresee no reduction in demand for services under CRS' Prevention and Conciliation of Community Disputes Program. Instead, we expect that CRS will record 2,200 incidents of racial and ethnic conflict, annually, this year and next, up from the 1989 level of 2031. We also anticipate that CRS will handle 1,290 cases annually, in the same period, as opposed to 1250 in 1989.

With respect to the Reception, Processing and Care of Cubans and Haitians Program, CRS provides outplacement, resettlement, medical and mental health care services to Cubans and Haitians paroled from Immigration and Naturalization Service detention.

We anticipate that the demand for outplacement of Mariel Cubans will continue as these individuals continue to be returned to Federal custody at the rate of 80-100 per month. The Department of Justice's Repatriation and Reparole Review Panels are fully operational and adding to the pool of Mariels awaiting outplacement.

The requested level of funding will enable CRS to outplace

440 detained Mariel Cubans through its halfway house program, 269 through its family sponsorship program, and 57 through its aftercare program. CRS will also provide primary and secondary resettlement services to 803 Cubans and Haitians. Further, through an interagency agreement with the Public Health Service, CRS will provide 100 long-term care hospital beds, conduct 600 mental health evaluations, and perform comprehensive medical screenings on 2,583 Cubans and Haitians in 1991. The Cuban and Haitian Program allows the U.S. Government to both respond to complex legal and humanitarian issues, and protect the public safety.

This concludes my statement, Mr. Chairman. I welcome the opportunity to respond to questions.

IMPACT OF PROGRAM REDUCTION

Mr. **Mollohan**. Thank you, Mrs. Flores Hughes.

You recommend a decrease of $1,127,000 in the Reception, Processing, and Care of Cubans and Haitians Program. Does this decrease reflect a reduction in the workload due to a lower number of eligible Cubans and Haitians, or are you reducing services?

Ms. **Flores Hughes**. The services we are providing will not change. The number of Cubans and Haitians that we will be able to service will decrease by an estimated 315 individuals.

MARIEL CUBAN POPULATION

Mr. **Mollohan**. How do those populations break down? Part of that population have criminal records and part of them——

Ms. **Flores Hughes**. Of the Mariel Cubans, we processed approximately 951 last year. All of them have criminal records, as you know. Those that have very severe criminal records are kept in either INS or BOP detention. We resettle the ones with the less serious criminal records that have been approved by INS to send out to the community with extensive follow-up from our agency.

Mr. **Mollohan**. How do you process and relocate them into communities?

Ms. **Flores Hughes**. We bring them into five of the halfway houses we have throughout the country. We service them for approximately 12 months. For the first three to four months they are with us they get extensive training in English and in basic learning skills about the environment, such as, how to write a check. We also provide training in interview skills so that they may acquire jobs. We also provide employment placement services.

And then we follow up on their progress. We also have a savings for them so when they go off they have money to rent an apartment and hopefully live in decent housing. We monitor them for the remainder of the 12-month period to ensure that they are working and are not involved in criminal activity of any kind.

PROGRAM SUCCESS

Mr. **Mollohan**. How successful has that program been?

Ms. **Flores Hughes**. We have had some of the folks back into detention. The recidivism rate is a very low one. I would say that any of the individuals that have gone through our halfway houses, maybe 10 percent come back to Federal custody for criminal or conditional parole violations and another 10 percent are AWOL cases.

Mr. **Mollohan**. You said you monitored that?

Ms. **Flores Hughes**. We monitor them when they are out in the community. If we find any of them, and our numbers have been very small, that we need to pull back into our halfway house or back into the detention, we will do so. But our numbers are very, very low.

MENTAL HEALTH PROGRAM

Mr. **Mollohan**. Are there any parties of either of these populations that are not—don't fall within the criminal group, but also aren't candidates for mainstreaming, if you will; that you have to provide custodial care for on a long-term basis?

Ms. FLORES HUGHES. The ones that have their criminal problems——

CUSTODIAL CASE RESPONSIBILITY

Mr. MOLLOHAN. I am eliminating that part of the population, and I am eliminating the part that you are mainstreaming. Is there any part of that population that doesn't fall into those two groups, and that you have to provide custodial care for, for example?

Ms. FLORES HUGHES. None that I am aware of.

Mr. MOLLOHAN. What I am getting at is, that there was part of that group that were incompetents or mentally incompetent. Is there such a group?

Ms. FLORES HUGHES. Yes. I am sorry. I was focusing on the criminal element of the population we serve. We do have our mental patients. They are being cared for in St. Elizabeth's here in Washington, D.C.

Mr. MOLLOHAN. How big is that population?

Ms. FLORES HUGHES. I was there a couple of months ago to review this program. I thought there was, at the time, 100 to 200 beds approximately. It is 110 beds, so I was close.

Mr. MOLLOHAN. Do you know the history of that group? Has it increased, decreased?

Ms. FLORES HUGHES. Since I have been with the Service for about a year and a half, the numbers have pretty much stayed the same in that 100 to 200 area. There are approximately 55 severely ill patients that may have to be at St. Elizabeth's for as long as they are in the United States. The number of very severe cases is increasing.

Mr. MOLLOHAN. Is St. Elizabeths the only facility that is caring for any of these people that may fall between the criminal element and the mainstream element? Are there any others that are being treated at St. Elizabeth's?

Ms. FLORES HUGHES. We have a contract with the Public Health Service, to provide after-care programs for them. I don't know whether Jeff Weiss may want to add something more to that. He is the Associate Director of my Immigration and Refugee Affairs office.

Mr. WEISS. These are for Marielitos with mental problems. We have a program that requires non-residential care; located in California, the Midwest, and the East Coast. This care takes place after they have been released from public health institutional care, and they are competent to live in the community but they need monitoring, treatment and counseling. It is a lot less expensive than institutional care.

Mr. MOLLOHAN. How large is that population?

Mr. WEISS. About 187.

Mr. MOLLOHAN. Where would they live? Where would they eat? Would they work?

Mr. WEISS. Some of them work, others are on local subsistence programs. We try to place those that can work. We have job counseling programs for these clients.

Mr. Mollohan. Those that can, are they living independently?

Mr. Weiss. Yes, they have supervised, independent living. Again, they come in for treatment. It operates pretty close to what you would find in a regular American after-care program here in Washington or Maryland.

Mr. Mollohan. Thank you very much, Mrs. Flores Hughes. We appreciate your testimony. We have some questions that we would ask you to answer for the record. Thank you for your testimony.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN MOLLOHAN

Community Relations Service

Prevention and Conciliation of Community Disputes

QUESTION: You request no program growth for 1991 for Prevention and Conciliation of Community Disputes. Are these amounts sufficient to handle all of your requirements?

ANSWER: I recognize the importance of living within budetary constraints. Therefore, we will do the best we possibly can with the resources made available to Community Relations Service (CRS).

The amount that we requested will allow us to carry out the workload set forth in the budget. This is, we will complete approximately 1,450 assessments, and conduct approximately 1,290 conciliation and mediation cases. However, I recognize that unless we change the way we do business, the backlog will grow as the demand for CRS' services increase.

I am reviewing the way our Prevention Program operates and seeking short and long-term efficiencies. In the short term, we are going to work with the regions to reprioritize case involvement, so that we devote our efforts to the resolution of disputes that will have the greatest positive community impact.

Uncompleted alerts account for 24.7 percent of the total Prevention program backlog and is a major factor in the accumulation. Therefore, I am proposing a streamlined assessment process, to be used in some circumstances, that will allow regions to handle alerts much more expeditiously and to reduce backlog.

QUESTION: Is it true that in 1990, a year in which you were also held to no program growth, that your backlog of cases was a record high of 951?

ANSWER: I have hired consultants to help CRS in redesigning its Automated Data Processing System, and in developing a database that more accurately addresses backlog figures. Therefore, at this time, I cannot say that the current backlog is at a historical high for CRS.

In part, the current backlog reflects my initiative to have regions alert all incidents of racial conflict that come to their attention. Before my arrival, many incidents that were known to the regions and that should have been captured in our database, were not reported. Generally, regional offices did not report such incidents because they felt that resources would not be available to address these disputes. I initiated comprehensive alerting because the existing incomplete method of reporting did not allow me to have an accurate picture of the nationwide need for our services.

QUESTION: What impact will your requested level of funding in 1991 have on your backlog?

ANSWER: Based on current trends in demand for CRS' service, with resources available in 1990 and 1991, the backlog would increase as indicated in the budget. However, the backlog figures contained in the budget do not reflect the initiatives that I am now putting in place to reduce the backlog. Through these efforts, I anticipate that we can reduce the backlog at the end of 1991 by approximately 50 percent.

QUESTION: What funding levels would you require to bring your backlog back down to 1989 levels?

ANSWER: Through management initiatives that I am putting in place, we can reduce our backlog by approximately 25 percent this year, and by the same amount next year. Therefore, I believe that we will not require additional funding to bring the backlog back down to 1989 levels.

THURSDAY, MARCH 15, 1990.

FOREIGN CLAIMS SETTLEMENT COMMISSION

WITNESSES

STANLEY J. GLOD, CHAIRMAN

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

Mr. MOLLOHAN. Continuing in our review of the Department of Justice, we will now hear testimony from the Foreign Claims Settlement Commission. They are requesting $490,000 in fiscal year 1991. We will insert into the record at this point the Commission's fiscal year 1991 budget justifications.

[The justifications follow:]

DEPARTMENT OF JUSTICE

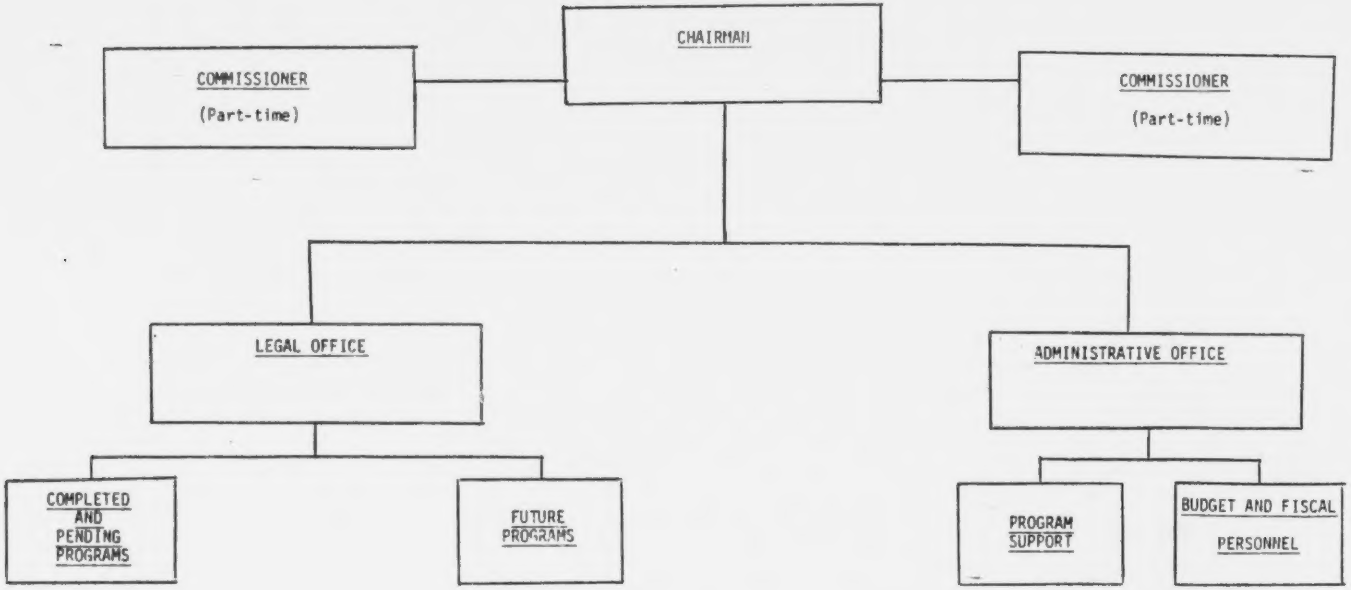
Foreign Claims Settlement Commission

Estimates for Fiscal Year 1991

Table of Contents

Item	Page Number
Organization Chart	1
Summary Statement	2
Justification of Proposed Changes in Appropriation Language	3
Summary of Requirements	5
Justification of Program and Performance	7
Detail of Permanent Positions by Category	9
Justification of Adjustments to Base	10
Summary of Requirements by Grade and Object Class	12

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE
UNITED STATES


CHAIRMAN
COMMISSIONER
(Part-time)
COMMISSIONER
(Part-time)
LEGAL OFFICE
ADMINISTRATIVE OFFICE
COMPLETED AND PENDING PROGRAMS
FUTURE PROGRAMS
PROGRAM SUPPORT
BUDGET AND FISCAL
PERSONNEL

STANLEY J. GLOD, CHAIRMAN

Foreign Claims Settlement Commission
Salaries and expenses
Summary Statement
Fiscal Year 1991

The Foreign Claims Settlement Commission is requesting a total of $490,000, seven permanent positions and seven workyears for 1991. This request represents a net increase of $50,000 from the 1990 appropriation of $440,000.

The Commission consists of a Chairman and two part-time Commissioners, who are appointed by the President with the advice and consent of the Senate. The part-time Commissioners receive compensation at the Executive Level V rate of pay for performance of official business of the Commission at the direction of the Chairman.

The principal mission of the Commission is to adjudicate claims of American citizens arising out of the nationalization, expropriation or other taking of their properties and interests by foreign governments, under jurisdiction conferred by the International Claims Settlement Act of 1949, as amended. To date, the Commission has compiled and evaluated such claims against 14 countries: Yugoslavia, Panama, Bulgaria, Hungary, Romania, Italy, the Soviet Union, Czechoslovakia, Poland, Cuba, China, the German Democratic Republic (East Germany), Vietnam, and Ethiopia. In addition, the Commission is currently engaged in the issuance of supplemental awards on claims of U.S. citizens against Egypt which were settled by the Department of State in 1976.

In 1991, the Commission will continue its advisory function to the Congress and the Departments of State and Treasury concerning claims before the United States-Iran Claims Tribunal at The Hague. In accordance with Public law 99-93, the Commission will also initiate a program for adjudication of the group of claims against Iran which are currently pending before the Tribunal under the sponsorship of the Department of State, as soon as a lump-sum settlement agreement concerning such claims is concluded with the Government of Iran.

The Commission will continue to provide technical assistance to the Department of State in conducting claims settlement negotiations with the German Democratic Republic and the Soviet Union, and will also provide assistance in settlement negotiations with other countries, as requested by the Department.

The Commission will continue to assist the Department of the Treasury in paying awards which have been certified for payment from existing claims funds, such as the Czechoslovakian claims fund, the Ethiopian claims fund, and the Egyptian claims fund.

Under the War Claims Act of 1948, as amended, the Commission will continue to have authority to award compensation to American military prisoners of war held in Southeast Asia during the Vietnam conflict, or their survivors, for inadequate rations and inhumane treatment while in captivity.

The Commission will continue to furnish information contained in the records pertaining to the 40 completed international and war-related claims programs it has conducted, as requested by claimants and their heirs, attorneys, researchers, and other members of the public. Upon request, it will also provide advice on policy determinations, preliminary planning, evaluation of pending claims legislation, and liaison with Congressional committees considering legislation intended to provide for adjudication of additional types or classes of claims.

Foreign Claims Settlement Commission

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses, Foreign Claims Settlement Commission

For expenses necessary to carry out the activities of the Foreign Claims Settlement Commission, including services as authorized by 5 U.S.C. 3109, [$440,000: Provided, That for fiscal year 1990 and hereafter, funds appropriated under this heading shall be available for: allowances and benefits similar to those allowed under the Foreign Service Act of 1980 as determined by the Commission; expenses of packing, shipping, and storing personal effects of personnel assigned abroad; rental or lease, for such periods as may be necessary, of office space and living quarters of personnel assigned abroad; maintenance, improvement, and repair of properties rented or leased abroad, and furnishing fuel, water, and utilities for such properties; insurance on official motor vehicles abroad; advances of funds abroad; advances or reimbursements to other Government agencies for use of their facilities and services in carrying out the functions of the Commission; hire of motor vehicles for field use only; and employment of aliens] ^ . ________ $490,000

22 U.S.C. 1621-1645; 50 U.S.C. App. 2001-2017; Department of Justice Appropriations Act 1990.

Explanation of changes:

The change deletes language which is included in the Department of Justice Appropriations Act for 1990.

The citations shown in the fiscal year 1991 galleys are incorrect. The above citations apply to the Foreign Claims Settlement Commission.

Foreign Claims Settlement Commission

Salaries and expenses

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-Years	Amount
Department of Justice Appropriations Act, 1990	7	7	$440
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding	...	...	...
Mandatory increases	...	...	50
1991 base	7	7	490

Estimates by budget activity	1989 Enacted			1989 Actual			1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.	Perm. Pos.	WY	Amt.
Adjudication of International claims	7	7	$472	7	6	$460	7	7	$440	7	7	$490	7	7	$490	...	...	...
BOY Employment:																		
Full-time permanent..	5			5			5			5			5			...		
Reimbursement........	...			...			...			...			...			...		
Other................	2			1			2			2			2			...		
	7			6			7			7			7			...		

Foreign Claims Settlement Commission

Salaries and expenses

Justification of Program and Performance

Adjudication of International Claims

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Activity: Adjudication of International Claims	7	7	$440	7	7	$490	7	7	$490	...	...	...

Long-Range Goal: To make effective determinations of unsettled claims of American nationals against foreign governments within the framework of the International Claims Settlement Act of 1949 and other pertinent statutes, and to provide assistance to claimants in past international and war claims programs.

Major Objectives:

- To provide assistance to the Department of State in the presentation of United States claims before the United States-Iran Claims Tribunal at The Hague.
- To provide general information concerning past programs and to respond to requests about specific decisions the Commission has made on past claims.
- To advise other agencies and the Congress concerning potential future programs and to comment on pending legislation.
- To assist the Department of State in negotiations for the settlement of adjudicated claims against foreign governments, including those of East Germany, Vietnam, Cuba, and the Soviet Union.
- To assist the Department of the Treasury in making distributions on past awards certified by the Commission.
- To provide executive departments and private attorneys with legal precedents issued by the Commission.
- To conduct preliminary planning of pending new programs.
- To respond to requests for advice on policy determinations relating to the settlement of international claims.

1991 BUDGET REQUEST

Mr. MOLLOHAN. The committee welcomes Stanley Glod, Chairman of the Foreign Claims Settlement Commission. Mr. Glod?

Mr. GLOD. Good afternoon. With your permission, I will ask the record to include the statement that I prepared and made available for the reporter.

Mr. MOLLOHAN. We will make it a part of the record.

Mr. GLOD. Thank you.

OPENING REMARKS

I am pleased to have the opportunity to appear before you in support of the Foreign Claims Settlement Commission's 1991 budget request. As you have stated, the Commission is requesting $490,000 for fiscal year 1991 for seven permanent employee positions and seven workyears. This represents an increase of $50,000 over the agency's approved appropriation for 1990, and is being sought to cover mandatory increases in the cost of administrative services and operating expenses. The $490,000 requested includes an amount of $344,000 for personnel costs and benefits, and $146,000 for support costs.

FOREIGN CLAIMS SETTLEMENT COMMISSION RESPONSIBILITIES

The Commission's three principal functions are to adjudicate claims of United States nationals against foreign governments under jurisdiction conferred by Title I of the International Claims Settlement Act of 1949, as amended; claims against Iran under Public Law 99-93, enacted in August 1985; and claims under Public Law 91-289, enacted in 1970 as an amendment to the War Claims Act of 1948.

The Commission will stand ready to initiate new claims adjudication programs to deal with claims against foreign countries with which claims agreements may be negotiated by the Department of State.

NEW CLAIMS IN 1991

During fiscal year 1991, such new programs may likely be required for the determination of additional claims of United States citizens against East Germany and the Soviet Union, as prospects exist for success in concluding settlement agreements with one or both of those countries. Negotiations aimed at reaching agreements were begun with East Germany in 1982 and with the Soviet Union in 1988.

As these negotiations progress, the Commission will be required to provide continuing technical assistance to the Department of State on legal and factual issues relevant to the claims in question, based on the findings and determinations rendered in the claims programs it conducted under Titles III and VI of the International Claims Settlement Act of 1949.

IRANIAN CLAIMS

Secondly, during fiscal year 1991, the Commission will continue to stand ready to take over the adjudication of the United States citizens' claims against Iran, valued at or near $250,000 per claim, in accordance with Public Law 99-93, passed in 1985, should a lump-sum settlement be reached with the Iranian Government.

Since the signing of the Algiers Accord in 1981, the Department of State has been engaged in presenting these claims before the Iran-United States Claims Tribunal at The Hague on the claimants' behalf. Some 2,800 such claims have been filed, based on property losses resulting from the revolutionary takeover of Iran in 1979.

Pending conclusion of a settlement agreement with Iran, the Commission will also be required to provide technical assistance to the State Department on the international law principles and precedents relevant to the validity of these claims.

U.S. CLAIMS DURING THE VIETNAMESE WAR

As its third principal activity, the Commission will also continue during fiscal year 1991 to carry out its statutory responsibility of adjudicating any further claims of United States Armed Forces personnel and civilians, or their survivors, that may be filed for compensation based on inadequate food rations and inhumane treatment received while held as prisoners-of-war or internees during the Vietnam conflict, as mandated by Public Law 91-289. While it might seem unlikely that a basis for any further claims could yet remain, our Government's renewed efforts to account for the MIAs in Southeast Asia will undoubtedly bring additional filings.

In addition, the Commission will continue to provide information from its records on World War II, Korean War and Vietnam War era claims to veterans and their families seeking to qualify for benefits under various State and Federal programs, including medical benefits provided by the Department of Veterans' Affairs.

Finally, during 1991, the Commission will continue to respond to requests from Congressional offices, Federal agencies, and the public for information and advice on completed claims programs, proposals for claims legislation, and issues involving the law of international claims.

EXPENSES OF THE COMMISSION

As has been noted in the past, I would also like to mention that the operating expenses of the Commission, in fact, are ultimately borne only partially, if at all, by the taxpayer. Virtually all of the claims legislation under which the Commission has proceeded over the years has provided for a percentage of the compensation obtained from foreign governments to be set aside for the Department of the Treasury as miscellaneous receipts to defray the administrative expenses of the claims programs.

Since 1950, for example, the budget obligations of the Commission and its predecessors have amounted to less than $29 million, while the deductions have amounted to over $32 million.

Mr. Chairman, this concludes my statement in support of the Commission's 1991 fiscal year request. I will be happy to answer any questions that you may have.

[The prepared statement of Mr. Glod follows:]

Base Program Description:

The Commission provides continuing informational services to claimants (and, where applicable, their legal successors) with regard to the 40 completed international and war claims programs it has conducted. It also provides advice on policy determinations, preliminary planning, and evaluation of proposed legislation intended to authorize adjudication of claims of new categories of claimants, and liaison with Congressional committees considering such legislation.

Accomplishments and Workload:

Under the authority conferred upon it by Public Law 99-93, the Commission will adjudicate claims of United States nationals against Iran for property losses amounting to less than $250,000, as soon as an *en bloc* settlement of those claims is concluded with the Iranian government. In addition, the Commission will continue to provide technical assistance to the Department of State in its efforts to conclude claims settlement agreements with foreign governments, including, in particular, an agreement with the government of East Germany, to settle claims adjudicated under Public Law 94-542, and a similar agreement with the Soviet Union.

Utilizing its basic authority under Title I of the International Claims Settlement Act of 1949, as amended, the Commission will conduct claims adjudication programs following the Department of State's successful conclusion of claims settlements with foreign governments. In addition to East Germany, countries with which agreements remain to be negotiated include Albania and the Soviet Union. Under section 620(e) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2370(e)), the Commission also has ongoing authority, upon request of the President, to evaluate property of United States nationals expropriated or otherwise subjected to action by foreign governments in violation of international law.

Under the War Claims Act of 1948, as amended, the Commission is empowered to authorize payments of compensation to American prisoners of war and civilians captured or interned by hostile forces in Southeast Asia during the Vietnam conflict, or to their survivors, for inadequate rations and inhumane treatment while in captured status. The Commission to date has granted awards to 736 prisoners of war or their survivors in the amount of $5,347,773; awards to 41 civilian internees in the amount of $229,337; and awards to members of the crew of the USS Pueblo in the amount of $68,675, for a total of $5,645,785. The status of a small number of military servicemen listed as Missing-in-Action who may have been held as prisoners of war remains to be determined by the Department of Defense. Upon receipt of these final determinations, this program will be completed.

The Commission will have completed issuance of supplemental awards on claims of U.S. citizens against Egypt originally determined by the Department of State under the 1976 U.S.-Egyptian Claims Settlement Agreement.

Foreign Claims Settlement Commission

Salaries and expenses

Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1991 Request
Attorneys (905)	1	1	1
General Administrative, Clerical and Office Services (300-399)	3	3	3
Commissioners	3	3	3
Total	7	7	7
Washington	7	7	7
Total	7	7	7

Foreign Claims Settlement Commission
Salaries and expenses
Justification of Adjustments to Base
(Dollars in thousands)

	Pos.	WY	Amount
Mandatory increases:			
1. Additional compensable day The annual salary rate for Federal employees is based on 260 paid days. 1991 has one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.	...	...	$ 1
2. 1990 full-year pay increase impact on 1991 This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services, and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Commission will be required to absorb the total pay raise in 1990. The requested increase of $9,000 is the amount required for full-year funding in 1991. NOTE: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Commission, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. This requested increase is reflected as a mandatory increase and built into the 1991 base.	...	...	9
3. 1991 pay increase For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This request provides for 50 percent of the proposed 4.0 percent pay increase effective in January of 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $3,000, is the cost of the pay increase for approximately three-quarters of the year assuming a 50-percent absorption.	...	...	3
4. Executive Level pay increase This request represents the President's proposed pay increase for executive level and senior executive service employees. This pay increase is to be effective in January of 1990, but will be absorbed completely for the first year. In 1991, an increase of $24,000 is necessary for this requirement.	...	...	24
5. Within-grade increases (WGI) This request provides for the expected increase in the cost of within-grade increases This increase represents WGI costs based on the Commission's employee population.	...	...	3

	Pos.	WY	Amount
6. Health Benefits The Federal Employees Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1990, the actual contribution to health insurance increased 25 percent. The requested increase of $2,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.	...	...	$2
7. GSA Rent GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. A mandatory increase of $5,000, or a five-percent increase over the base, is required to meet our commitment to GSA.	...	...	5
8. Government Printing Office (GPO) The Government Printing Office (GPO) is currently projecting a seven-percent increase over the 1990 printing costs. An additional $1,000 will be required in 1991.	...	...	1
9. Security reinvestigations The security reinvestigation program has been receiving widespread attention due to the increase in espionage cases, and the many situations where employees, who had been working in their jobs for a number of years, were discovered to be involved in various activities that were detrimental to the nation's security. The Office of Personnel Management, Federal Personnel Manual, Chapter 736 requires incumbents of certain positions to be reinvestigated, at a minimum, every five years, By 1991, the Department will require 7,592 employees to be reinvestigated in each of the next five years to address the existing backlog. Requested resources will provide for an additional 2,300 cases per year of the 7,092 cases that remain unfunded. An increase of $1,000 will be required in 1991.	...	...	1
10. General pricing level adjustment This request applies OMB pricing guidance as of December 6, 1989, to selected expense categories. The increased costs identified result from applying a factor of 4.2 percent against those subobject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs and utilities. Excluded from the computation are categories of expense where inflation has already been built into the 1991 estimates.	...	...	1
Total mandatory increases	...	...	$ 50

Foreign Claims Settlement Commission

Salaries and Expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	1989 Actual		1990 as Enacted		1991 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level V, $78,200.............	1		1		1		...	
GS/GM-15, $59,216-76,982...............	1		...		...		...	
GS/GM-14, $50,342-65,444...............	...		1		1		...	
GS-12, $35,825-46,571..................	1		1		1		...	
GS-9, $24,705-32,121...................	2		1		1		...	
GS-5, $16,305-21,201...................	...		1		1		...	
1991 pay increase......................	...		...		...	$3	...	$3
Total, appropriated positions........	5	$216	5	$222	5	$240		$18
Pay above stated annual rates..........	...	...	...	...	...	1	...	1
Savings due to lower pay scales for part of year..........................	...	...	...	-2	...	...	...	2
Net full-time permanent..............	5	216	5	220	5	241	...	21
Other than permanent:								
Part-time permanent employment*......	1	26	2	50	2	63	...	13
Total, workyears and personnel compensation.............	6	242	7	270	7	304	...	34
Average GS/GM Salary...................		$32,510		$30,689		$31,372		
Average GS/GM Grade....................		10.3		10.0		10.5		

*Includes workyears associated with two Executive Level V part-time Commissioners and one other part-time employee.

Foreign Claims Settlement Commission

Salaries and Expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

	1989 Actual		1990 as Enacted		1991 Estimate		Increase/Decrease	
Object Class	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11 Personnel compensation:								
11.1 Full-time permanent..................	5	$216	5	$220	5	$241	...	$21
11.3 Other than permanent..................	2	26	2	50	2	63	...	13
Total................................	7	242	7	270	7	304	...	34
Other objects:								
12 Personnel benefits.....................		38		32		40		8
13 Benefits to former personnel..........		39		...		...		...
21 Travel and transportation of persons..		6		4		4		...
22 Transportation of things..............		1		...		...		...
23.1 Rental payments to GSA................		103		105		110		5
23.3 Communications, utilities, and miscellaneous charges...............		20		10		10		...
24 Printing and reproduction.............		1		4		5		1
25 Other services........................		5		8		10		2
26 Supplies and materials................		4		6		6		...
31 Equipment.............................		1		1		1		...
Total requirements	7	460	7	440	7	490	...	50
Relation of obligations to outlays:								
Obligated balance, start-of-year...........		145		134		158		
Obligated balance, end-of-year.............		-134		-158		-263		
Adjustments in expired accounts............		33		...		...		
Outlays..................................		504		416		385		

STATEMENT OF STANLEY J. GLOD
CHAIRMAN, FOREIGN CLAIMS SETTLEMENT COMMISSION
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have this opportunity to appear before you in support of the Foreign Claims Settlement Commission's Fiscal Year 1991 Budget Request.

The Commission is requesting $490,000 in Fiscal Year 1991 for seven permanent employee positions and seven work years. This represents an increase of $50,000 compared to the agency's Fiscal Year 1990 appropriation. The $490,000 requested includes an amount of $344,000 for personnel costs and benefits and $146,000 for support costs.

The Commission's three principal functions are to adjudicate claims of United States nationals against foreign governments under jurisdiction conferred by Title I of the International Claims Settlement Act of 1949, as amended; claims against Iran under Public Law 99-93, enacted in August 1985; and claims under Public Law 91-289, enacted in 1970 as an amendment to the War Claims Act of 1948. These respectively authorize the Commission to render decisions on (1) property expropriation claims of United States nationals against any foreign countries (other than those that were at war with the United States in World War II) which have concluded _en bloc_ claims settlement agreements with the United States; (2) property expropriation claims of United States nationals against Iran valued at under $250,000, contingent upon an en bloc settlement agreement with the United States; and (3) claims of United States military personnel and civilians held as prisoners-of-war or interned in Southeast Asia during the Vietnam conflict, or their survivors, for inadequate rations and inhumane treatment, including forced labor, while in captured status.

Over the last several years, the Commission has sought to maintain only the minimum level of staffing and physical resources needed to discharge its current statutory responsibilities. As one of these responsibilities, the Commission is currently adjudicating claims against Egypt, completing a program begun by the Department of State pursuant to the 1976 en bloc claims settlement agreement between the United States and Egyptian governments.

At the same time, however, the Commission must maintain the capability to initiate new claims adjudication programs, in the event that international or other developments should require it to do so. During Fiscal Year 1991, such new programs may likely be required for the determination of additional claims of United States citizens against East Germany and the Soviet Union, as prospects exist for success in concluding settlement agreements with one or both of those countries. Negotiations aimed at reaching agreements were begun with East Germany in 1982 and with the Soviet Union in 1988.

Furthermore, as these negotiations progress, the Commission will be required to provide continuing technical assistance to the Department of State on legal and factual issues relevant to the claims in question, based on the findings and determinations rendered in the claims programs it conducted under Titles III and VI of the International Claims Settlement Act of 1949.

Similarly, circumstances may develop during Fiscal Year 1991 which will make effective the Commission's jurisdiction over the claims of United States citizens against Iran valued at or under $250,000 per claim. Since the signing of the Algiers Accords in 1981, the Department of State has been engaged in presenting these claims before the Iran-United States Claims Tribunal at The Hague on the claimants' behalf. Some 2,800 such claims have been filed, based on property losses resulting from the revolutionary takeover of Iran in 1979. (Claims for losses greater than $250,000 are presented by the claimants directly.) Under the terms of Public Law 99-93, the Department will transfer to the Commission, en masse, those claims that have not been disposed of by the Tribunal, as soon as a settlement is reached.

Pending conclusion of a settlement agreement with Iran, the Commission will also be required to provide technical assistance to the State Department on the international law principles and precedents relevant to the validity of these claims. At present, it is our understanding that approximately 2,300 of the claims remain pending before the Tribunal.

As its third principal activity, the Commission will also continue during Fiscal Year 1991 to carry out its statutory responsibility of adjudicating any further claims of United

States Armed Forces personnel and civilians, or their survivors, that may be filed for compensation based on inadequate food rations and inhumane treatment received while held as prisoners-of-war or internees during the Vietnam conflict, as mandated by Public Law 91-289. While it might seem unlikely that a basis for any further claims could yet remain, our Government's renewed efforts to account for the MIA's in Southeast Asia will undoubtedly bring additional filings.

In addition, as part of its responsibility with respect to prisoner-of-war claims, the Commission will continue to provide information from its records on World War II, Korean War and Vietnam War era claims to veterans and their families seeking to qualify for benefits under various state and Federal programs, including medical benefits administered by the Department of Veterans' Affairs.

Finally, during Fiscal Year 1991 the Commission will continue to respond to requests from Congressional offices, Federal agencies, and the public for information and advice on completed claims programs, proposals for claims legislation, and issues involving the law of international claims. Experience has demonstrated that an ongoing need exists for such services, and the Commission stands ready to continue to provide them in a cost-effective manner. Indeed, as my predecessors have pointed out in testimony before the Subcommittee in previous years, the operating expenses of the Commission ultimately are borne only partially, if at all, by the taxpayer. In virtually all instances, the legislation authorizing the adjudication of claims has directed that a percentage of the funds obtained from foreign governments for payment of the Commission's awards be set aside for deposit in the Treasury as miscellaneous receipts to defray the administrative expenses of conducting the claims programs. Since 1950 the budget obligations of the Commission and its predecessors have amounted to less than $29 million, while during that period the deductions taken have amounted to over $32 million.

Mr. Chairman, this concludes my statement in support of the Commission's Fiscal Year 1991 Budget Request. I will be happy to answer any questions which you or the other Members of the Subcommittee may have.

POTENTIAL FUNDING IMPACTS

Mr. MOLLOHAN. The Commission's 1990 appropriation was $20,000 less than in fiscal year 1989. Did this have any impact on discharging your responsibilities?

Mr. GLOD. In the Commission's 1990 budget, a total of $17,000 was requested for mandatory increases. However, we had a decrease of $49,000 which resulted in an overall decrease to our 1990 request of $32,000. Taking those two figures into account the $49,000 decrease was a result of nonrecurring costs for benefits and travel for a former employee. That was really in the form of severance pay.

We will obviously not experience such a decrease in 1991. In 1991, we will be required to absorb part of the 1991 pay increases, as well as pay the increase for Executive Level and Senior Executive Service employees included in the 1990 Act.

Additionally, our mandatory increases consist of 1990 pay increases and its impact on 1991, the normal GSA rent, health benefits and communications costs.

OVERSEAS EMPLOYEES

Mr. MOLLOHAN. Does the Commission, Mr. Glod, still have permanent employees stationed overseas?

Mr. GLOD. No, we do not. The provision for having a potential officer over there is really based on precedent in the past. There were several programs that required our presence overseas. There is no such requirement at the present time.

That, however, does not preclude the possibility of having such a situation arise where there may have to be a presence over there.

Mr. MOLLOHAN. If you have none, why do you require appropriation language providing you with authority similar to those accorded to Foreign Service employees?

Mr. GLOD. My answer to that, in short as I indicated already at least partially in my reply, is that a situation could occur following a settlement with East Germany, and the commencement of a second claims program, to investigate the facts that may be relevant, and could be achieved only by having people overseas. The rationale for this is, it is better to have the language, not saying that you are actually going to have offices or personnel in place, but to have the language there to enable you to act quickly, should that circumstance arise.

Mr. MOLLOHAN. Mr. Glod, thank you very much for your testimony.

Mr. GLOD. We welcome those.

Mr. MOLLOHAN. Thank you.

The committee will adjourn until Tuesday next.

MONDAY, MARCH 19, 1990.

FEDERAL PRISON SYSTEM

WITNESSES

J. MICHAEL QUINLAN, DIRECTOR, BUREAU OF PRISONS

WADE B. HOUK, ASSISTANT DIRECTOR FOR ADMINISTRATION, BUREAU OF PRISONS

M. WAYNE HUGGINS, DIRECTOR, NATIONAL INSTITUTE OF CORRECTIONS

RICHARD P. SEITER, ASSISTANT DIRECTOR, INDUSTRIES, EDUCATIONAL AND VOCATIONAL TRAINING

DAVID J. SWEDA, CHIEF, OFFICE OF BUDGET DEVELOPMENT, BUREAU OF PRISONS

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

1991 REQUEST

Mr. EARLY [presiding]. The committee will come to order.

Continuing with our review of the Department of Justice, we will now hear testimony from the Federal Prison System. For fiscal year 1991, the Prison System requests $1,371,882,000 for salaries and expenses, $374,358,000 for buildings and facilities, and $10,007,000 for the National Institute of Corrections. We will insert in the record at this point the Prison System fiscal year 1991 budget justification.

[The justification follows:]

Department of Justice

Federal Prison System

Salaries and Expenses

Estimates for Fiscal Year 1991

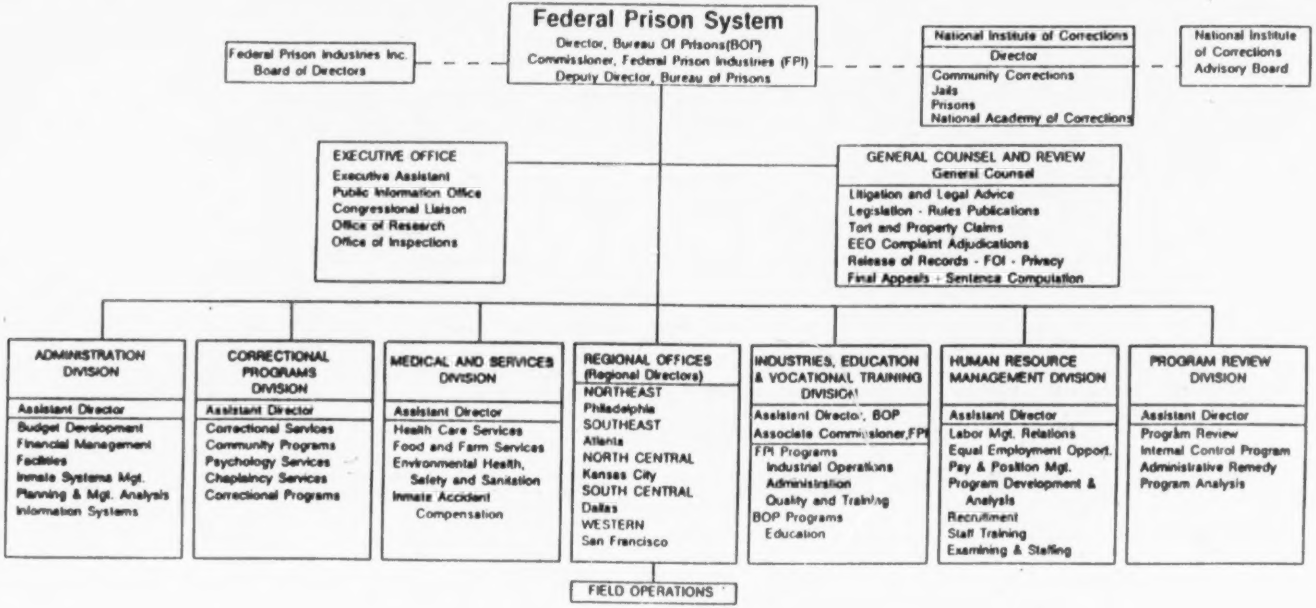
Table of Contents

Item .... Page Number
Organization Chart 1
Summary Statement 2
Justification of Proposed Changes in Appropriation Language 6
Crosswalk of 1990 Changes 7
Summary of Requirements 8
Summary of Resources by Program 9

Justification of Program and Performance:

  Inmate Care 10
  Institution Security 13
  Unit Management 16
  Inmate Programs 18
  Institution Administration 23
  Staff Training 25
  Institution Maintenance 28
  Contract Confinement 30
  Executive Direction and Control 32
  Administrative Services 36
Justification of Multi-Activity Program Increases 40
Financial Analysis - Program Changes 44
Priority Ranking 46
Detail of Permanent Positions by Category 47
Schedule of Motor Vehicles 48
Summary of Change 49
Justification of Adjustments to Base 50
Summary of Requirements by Grade and Object Class 53
Consulting and Related Services 56

FEDERAL BUREAU OF PRISONS


Federal Prison System
Director, Bureau Of Prisons(BOP)
Commissioner, Federal Prison Industries (FPI)
Deputy Director, Bureau of Prisons
Federal Prison Industries Inc.
Board of Directors
National Institute of Corrections
Director
Community Corrections
Jails
Prisons
National Academy of Corrections
National Institute of Corrections Advisory Board
EXECUTIVE OFFICE
Executive Assistant
Public Information Office
Congressional Liaison
Office of Research
Office of Inspections
GENERAL COUNSEL AND REVIEW
General Counsel
Litigation and Legal Advice
Legislation - Rules Publications
Tort and Property Claims
EEO Complaint Adjudications
Release of Records - FOI - Privacy
Final Appeals - Sentence Computation
ADMINISTRATION DIVISION
Assistant Director
Budget Development
Financial Management
Facilities
Inmate Systems Mgt.
Planning & Mgt. Analysis
Information Systems
CORRECTIONAL PROGRAMS DIVISION
Assistant Director
Correctional Services
Community Programs
Psychology Services
Chaplaincy Services
Correctional Programs
MEDICAL AND SERVICES DIVISION
Assistant Director
Health Care Services
Food and Farm Services
Environmental Health, Safety and Sanitation
Inmate Accident Compensation
REGIONAL OFFICES (Regional Directors)
NORTHEAST
Philadelphia
SOUTHEAST
Atlanta
NORTH CENTRAL
Kansas City
SOUTH CENTRAL
Dallas
WESTERN
San Francisco
FIELD OPERATIONS
INDUSTRIES, EDUCATION & VOCATIONAL TRAINING DIVISION
Assistant Director, BOP
Associate Commissioner, FPI
FPI Programs
Industrial Operations
Administration
Quality and Training
BOP Programs
Education
HUMAN RESOURCE MANAGEMENT DIVISION
Assistant Director
Labor Mgt. Relations
Equal Employment Opport.
Pay & Position Mgt.
Program Development & Analysis
Recruitment
Staff Training
Examining & Staffing
PROGRAM REVIEW DIVISION
Assistant Director
Program Review
Internal Control Program
Administrative Remedy
Program Analysis

Approved: Edwin Meese III Date: 2 Mar 88
EDWIN MEESE III
Attorney General

Federal Prison System

Salaries and Expenses

Summary Statement

Fiscal Year 1991

The Federal Prison System is requesting a total of $1,371,882,000, 22,269 permanent positions, and 19,215 [1] workyears for "Salaries and expenses" in 1991. This request represents an increase of $233,177,000, 4,798 positions and 3,323 workyears over the 1990 appropriation enacted.

This appropriation will provide for the custody and care of an average of 62,450 offenders and for the maintenance and operation of 66 penal institutions, 5 regional offices, 3 staff training centers, a central office, and the contract confinement of 7,130 Federal offenders with approximately 365 State and local correctional institutions, 45 juvenile facilities and 325 community residential facilities in 1991. At the recommendation of the Congress, the Bureau of Prisons is considering the establishment of a sixth region to include the mid-Atlantic states. On page 5 is a geographical display of the Federal Prison System.

For 1991, program increases totalling 4,883 positions, 2,375 workyears and $167,997,000 are requested to provide for a projected increase in the inmate population; to activate two (2) new Federal Correctional Institutions and twelve (12) housing expansions at existing institutions; to improve staffing systemwide; and to expand electronic monitoring. Following is a brief summary of each initiative:

Population Increase

The Administration's law enforcement initiatives, especially those directed at major drug trafficking and organized crime, have resulted in a 127 percent increase in the Federal prison population - from 23,783 in 1981 to more than 54,000 inmates today. More recently, the Federal inmate population growth rate has accelerated, increasing by 8,300 or 18 percent since January 1989. Based on short-term analysis of this growth level, Federal court cases pending, and the impact of tougher crime legislation the Federal Prison System projects that the average daily institution based population will increase by 6,050 inmates (11%) during FY 1991, from 56,400 to 62,450.

For 1991, a total of $25,462,000 is requested for subsistence and related support costs of the projected population increase. These additional resources will enable the Federal Prison System to continue to provide for food, medical care, clothing, inmate transportation, security, unit management, education, recreation, psychology, records, and maintenance costs associated with the projected population increase.

Activation of New Facilities

The current population of more than 54,000 inmates is housed in prison facilities that by contemporary correctional standards should confine 32,496 inmates. Today, Federal prisons are currently overcrowded by a systemwide average of 67 percent with several individual institutions overcrowded by more than 100 percent. Prison overcrowding coupled with the continuing rapid growth of the inmate population has the potential for creating a "gridlock" in the Federal criminal justice system. This crisis threatens the safety of staff, inmates, and the general public while at the same time seriously impairing the Department's ability to achieve its high priority law enforcement objectives.

For 1991, the Federal Prison System is requesting 883 positions, 375 workyears and $49,578,000 for the activation of the new facilities listed below which will be completed and ready for activation and operation in FY 1991. These facilities will add 3,315 critically needed beds.

---

[1] Excludes 127 reimbursable workyears

New Facilities:

	Beds	Activation Date	Pos.	FTE	Amount (in 000's)
Minersville, PA FCI	700	6/91	254	85	$12,104
Manchester, KY FCI	700	6/91	254	85	11,024
Fairton, NJ Satellite Camp	150	10/90	30	30	2,907
Butner, NC Satellite Camp	150	10/90	30	30	2,665
Big Spring, TX Housing Unit	240	6/91	45	15	2,460
Otisville, NY Satellite Camp	150	6/91	30	10	1,940
Tallahassee, FL Satellite Camp	150	6/91	30	10	1,735
Tyndall, FL Housing and Support Facility	225	6/91	45	15	2,604
Loretto, PA Housing Unit Expansion	100	6/91	15	5	1,187
Danbury, CT Satellite Camp Expansion	150	6/91	30	10	1,940
Tallahassee, FL Detention Unit	150	10/90	30	30	2,702
Fort Worth, TX Detention Unit	150	10/90	30	30	2,488
Milan, MI Detention Unit	150	6/91	30	10	1,937
Atlanta, GA Detention Unit	150	6/91	30	10	1,885
Total	3,315		883	375	49,578

Improve Staffing Systemwide

Operating the Federal Prison System at 67 percent over its designed capacity without commensurate staffing increases has placed too severe demands on too few staff. Prison overcrowding is commonly related to an increased potential for inmate idleness, inmate violence and inmate litigation. Failure to continue to improve staffing systemwide can seriously compromise the security of our Federal prisons, endangering life and property. The Office of Management and Budget established a staff to inmate ratio goal of 1:3. The 1991 budget includes 4,000 positions, 2,000 workyears and $91,569,000 to achieve that goal. This increase will enable the Federal Prison System to improve staffing in critically understaffed programs listed below for which workload has increased in direct proportion to increases in inmate population. Special emphasis has been given to medical services, inmate literacy, drug abuse treatment and staff development. Following is a recap of this increase by program:

Programs:

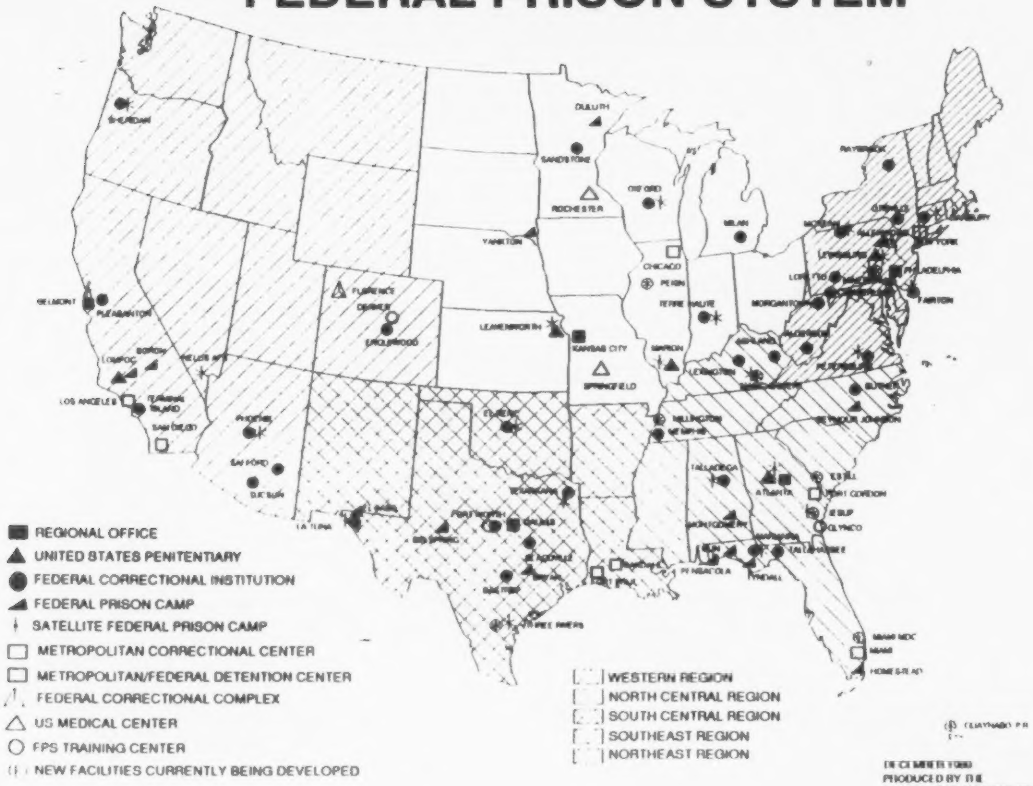
	Pos.	FTE	Amount (in 000's)
Food Service	156	77	$3,633
Medical Service	614	307	17,939
Other Inmate Services	38	19	600
Institution Security	1,466	732	23,670
Unit Management:			
General Units	206	103	6,376
Drug Abuse Treatment	200	100	6,204
Education Programs (Inmate Literacy)	132	65	2,534
Leisure Programs	54	27	932
Religious Services	24	12	578
Psychology Services	46	23	1,206
Inmate Systems Management	160	80	4,394
Financial Management	220	110	6,042

	Pos.	FTE	Amount (in 000's)
Staff Development:			
Personnel Management	88	45	2,472
Staff Training	184	92	4,695
Institution Maintenance	266	133	6,171
Community Corrections Management	36	19	1,051
Executive Direction	50	25	1,371
Administrative Services	60	31	1,701
. Subtotal, Programs	4,000	2,000	91,569

Expend Contract Confinement

The Federal Prison System contracts with state, local and private community corrections centers for community residential bedspace for offenders who are eligible and need a pre-release transition program at the end of their sentences before returning to the community; who the Federal courts determine need more than probation and less than full institution confinement and services; who are under probation or parole supervision but need more intensive services and/or programs that can be provided under the "street" supervision of the U.S. Parole Officer; and who are committed directly from court generally serving short sentences. For 1991, the request includes $1,000,000 for "electronic monitoring" (250 inmates). An added benefit of this request is a reduction to FPS institution based population and thus a reduction to overcrowding.

FEDERAL PRISON SYSTEM


SHERIDAN
BELMONT
PLEASANTON
LOMPOC
BORON
LOS ANGELES
TERMINAL ISLAND
SAN DIEGO
PHOENIX
SAFFORD
TUCSON
FLORENCE
DENVER
ENGLEWOOD
LA TUNA
EL PASO
BIG SPRING
FORT WORTH
DALLAS
SEAGOVILLE
BRYAN
BASTROP
THREE RIVERS
TEXARKANA
EL RENO
DULUTH
SANDSTONE
ROCHESTER
YANKTON
LEAVENWORTH
KANSAS CITY
SPRINGFIELD
OXFORD
CHICAGO
PEKIN
TERRE HAUTE
MARION
MILAN
LEXINGTON
ASHLAND
MILLINGTON
MEMPHIS
TALLADEGA
ATLANTA
MONTGOMERY
PENSACOLA
TYNDALL
TALLAHASSEE
MARIANNA
OAKDALE
FORT WORTH
YAZOO
JESUP
GLYNCO
FORT GORDON
MIAMI MDC
MIAMI
HOMESTEAD
GUAYNABO, P.R.
RAY BROOK
OTISVILLE
DANBURY
NEW YORK
PHILADELPHIA
FAIRTON
LEWISBURG
ALLENWOOD
LORETTO
MORGANTOWN
PETERSBURG
BUTNER
SEYMOUR JOHNSON
ALDERSON
BECKLEY
■ REGIONAL OFFICE
▲ UNITED STATES PENITENTIARY
● FEDERAL CORRECTIONAL INSTITUTION
◢ FEDERAL PRISON CAMP
ǂ SATELLITE FEDERAL PRISON CAMP
☐ METROPOLITAN CORRECTIONAL CENTER
☐ METROPOLITAN/FEDERAL DETENTION CENTER
FEDERAL CORRECTIONAL COMPLEX
△ US MEDICAL CENTER
○ FPS TRAINING CENTER
( ) NEW FACILITIES CURRENTLY BEING DEVELOPED
WESTERN REGION
NORTH CENTRAL REGION
SOUTH CENTRAL REGION
SOUTHEAST REGION
NORTHEAST REGION

DECEMBER 1989
PRODUCED BY THE
MANAGEMENT SUPPORT BRANCH
ADMINISTRATION DIVISION

Federal Prison System

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For expenses necessary for the administration, operation, and maintenance
of Federal penal and correctional institutions, including purchase (not
to exceed [159, of which 55] are for replacement only) and hire of law 330 of which 90
enforcement and passenger motor vehicles; [$1,097,631,000]; Provided, That $1,371,882,000
there may be transferred to the Health Resources and Services Administration
such amounts as may be necessary, in the discretion of the Attorney General,
for direct expenditures by that Administration for medical relief for
inmates of Federal penal and correctional institutions: Provided further,
That uniforms may be purchased without regard to the general purchase price
limitation for the current fiscal year [:Provided further, That not to
exceed $3,000 shall be available for official reception and representation
expenses].

(18 U.S.C. 3050, 3059, 3651, 4001, 4002, 4007, 4008, 4011, 4041, 4042, 4081 4082, 4253, 4281, 5015; Department of Justice Appropriations Act 1990; additional authorizing legislation to be proposed.)

[For carrying out efforts at National Drug Control and the President's initiative to combat violent crime, $54,923,000, for additional staff to activate new prisons, to improve staffing at existing institutions, and to fund additional support costs associated with the projected increases in Federal prison populations.]

(Department of Transportation and Related Agencies Appropriations, Act 1990)

Explanation of Changes

No substantive changes.

Federal Prison System

Salaries and expenses

Crosswalk of 1990 Changes

(Dollars in thousands)

Activity/Program	1990 President's Budget Request			1990 Sequestration	Reprogrammings			1990 Appropriation Anticipated		
	Pos.	WY	Amount	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Inmate care, custody and programs:										
Inmate Care	2,506	2,318	$258,994	(2,996)	...	(162)	($9,725)	2,506	2,156	$246,273
Institution Security	7,347	6,595	255,388	(3,226)	...	49	13,031	7,347	6,644	265,193
Unit Management	2,005	1,801	97,535	(1,215)	312	321	3,557	2,317	2,122	99,877
Inmate Programs	1,163	1,087	67,485	(796)	...	(69)	(1,226)	1,163	1,018	65,463
Subtotal	13,021	11,801	679,402	(8,233)	312	139	5,637	13,333	11,940	676,806
Institution administration and maintenance:										
Institution Administration	2,256	2,082	152,393	(1,721)	(574)	(369)	(9,143)	1,682	1,713	141,529
Staff Training	173	152	15,694	(187)	...	(7)	(158)	173	145	15,349
Institution Maintenance	1,302	1,171	157,337	(1,882)	68	55	(690)	1,370	1,226	154,765
Subtotal	3,731	3,405	325,424	(3,790)	(506)	(321)	(9,991)	3,225	3,084	311,643
Contract Confinement	177	151	91,817	(1,066)	...	...	(3,016)	177	151	87,735
Program Direction:										
Executive Direction	253	256	14,799	(238)	156	141	5,066	409	397	19,627
Administrative Services	289	279	41,112	(522)	38	41	2,304	327	320	42,894
Subtotal	542	535	55,911	(760)	194	182	7,370	736	717	62,521
TOTAL	17,471	15,892	1,152,554	(13,849)	...	...	...	17,471	15,892	1,138,705

1990 Sequestration. The sequester reflects the permanent reduction of amounts appropriated for FY 1990 pursuant to the provisions of Public Law 99-177 which requires a percentage reduction to each program specified in the budget justification submitted to the Committee on Appropriations in support of the fiscal year 1990 budget estimates. While the Bureau of Prisons has applied the percentage reductions as specified, a reprogramming of resources between programs will be necessary later this year to avoid furloughing staff. Staff reductions from the levels included in Conference Report 101-299 considering the current level of overcrowding and the expected increases in the Federal inmate population would compromise security and jeopardize the lives of inmates and staff and the safety of the community.

Reprogrammings. The reprogramming reflects the permanent effect of the August 16, 1988 reprogramming notification.

1990 Pay Increase. The cost of the 1990 pay increase will be fully absorbed and will also require reprogramming later this year.

Federal Prison System
Salaries and expenses

Summary of Requirements
(Dollars in thousands)

	Perm. Pos.	Work-years 1/	Amount
Adjustments to Base:			
Department of Justice Appropriation	17,471	15,892	$1,097,631
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding	...	...	54,923
1990 as Enacted	17,471	15,892	1,152,554
1990 Sequestration	...	...	-13,849
1990 appropriation anticipated	17,471	15,892	1,138,705
Mandatory increases	...	1,033	94,884
Decreases (automatic nonpolicy)	...	...	-29,247
1991 base	17,471	16,925	1,204,342

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY 1/	Amount	Perm. Pos.	WY 1/	Amount	Perm. Pos.	WY 1/	Amount	Perm. Pos.	WY 1/	Amount
Estimates by Budget Activity:												
1. Inmate care, custody and programs	13,333	11,940	$676,806	13,333	12,692	$718,773	16,873	14,378	$829,246	3,540	1,686	$110,473
2. Institution administration and maintenance	3,225	3,084	311,643	3,225	3,308	328,892	4,339	3,839	380,461	1,114	531	51,569
3. Contract confinement	177	151	87,735	177	177	90,778	211	194	92,816	34	17	2,038
4. Program direction	736	717	62,521	736	748	65,899	846	804	69,359	110	56	3,460
Total	17,471	15,892	1,138,705	17,471	16,925	1,204,342	22,269	19,215	1,371,882	4,798	2,290	167,540

	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
EOY Employment:									
Full-time permanent	17,471	127	17,598	17,471	127	17,598	22,269	127	22,396
Other	126	...	126	126	...	126	126	...	126
Total	17,597	127	17,724	17,597	127	17,724	22,395	127	22,522

1/ Excludes 127 reimbursable workyears

Federal Prison System

Salaries and Expenses

Summary of Resources by Program

(Dollars in thousands)

Estimates by Program:	1989 as Enacted			1989 Actuals			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase\Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate care, custody and programs:																		
Inmate care...........	2,200	1,738	$209,064	2,200	1,572	$208,233	2,506	2,156	$246,273	2,506	2,296	$256,617	3,439	2,756	$305,767	933	460	$49,150
Institution security..	6,480	5,501	215,357	6,480	5,535	215,357	7,347	6,644	265,193	7,347	7,066	284,010	9,102	7,894	315,423	1,755	828	31,413
Unit management.......	2,052	1,758	76,240	2,052	1,818	76,089	2,317	2,122	99,877	2,317	2,246	107,602	2,829	2,490	127,452	512	244	19,850
Inmate programs.......	950	717	46,857	950	701	46,424	1,163	1,018	65,463	1,163	1,084	70,544	1,503	1,238	80,604	340	154	10,060
Subtotal............	11,682	9,714	547,518	11,682	9,626	546,103	13,333	11,940	676,806	13,333	12,692	718,773	16,873	14,378	829,246	3,540	1,686	110,473
Institution administration and maintenance:																		
Administration........	1,408	1,297	120,759	1,408	1,294	120,606	1,682	1,713	141,529	1,682	1,840	150,065	2,294	2,134	174,714	612	294	24,649
Staff training........	132	101	13,621	132	111	13,621	173	145	15,349	173	166	16,203	357	256	21,437	184	90	5,234
Maintenance...........	1,220	1,021	123,975	1,220	1,059	125,133	1,370	1,226	154,765	1,370	1,302	162,624	1,688	1,449	184,310	318	147	21,686
Subtotal............	2,760	2,419	258,355	2,760	2,464	259,360	3,225	3,084	311,643	3,225	3,308	328,892	4,339	3,839	380,461	1,114	531	51,569
Contract confinement......	125	103	90,708	125	109	87,152	177	151	87,735	177	177	90,778	211	194	92,816	34	17	2,038
Program direction:																		
Executive direction.....	379	379	18,581	379	355	18,582	409	397	19,627	409	412	21,364	459	437	22,735	50	25	1,371
Administrative services.	294	290	37,264	294	283	37,081	327	320	42,894	327	336	44,535	387	367	46,624	60	31	2,089
Subtotal..............	673	669	55,845	673	638	55,663	736	717	65,521	736	748	65,899	846	804	69,359	110	56	3,460
Total....................	15,240	12,905	952,426	15,240	12,837	948,278	17,471	15,892	1,138,705	17,471	16,925	1,204,342	22,269	19,215	1,371,882	4,798	2,290	167,540
Reimbursable workyears...		127			127			127			127			127			...	
Total workyear ceiling...		13,032			12,964			16,019			17,052			19,342			2,290	
Other Workyears:																		
Holiday................		88			251			193			193			233			40	
Overtime...............		132			628			473			473			569			96	
Total compensable workyears..............		13,252			13,843			16,685			17,718			20,144			2,426	

Federal Prison System

Salaries and expenses

Justification of Program and Performance

Activity Resource Summary

(Dollars in thousands)

Activity: Inmate Care, Custody and Programs	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate Care...............................	2,506	2,156	$246,273	2,506	2,296	$256,617	3,439	2,756	$305,767	933	460	$49,150
Institution Security......................	7,347	6,644	265,193	7,347	7,066	284,010	9,102	7,894	315,423	1,755	828	31,413
Unit Management...........................	2,317	2,122	99,877	2,317	2,246	107,602	2,829	2,490	127,452	512	244	19,850
Inmate Programs...........................	1,163	1,018	65,463	1,163	1,084	70,544	1,503	1,238	80,604	340	154	10,060
Total...................................	13,333	11,940	676,806	13,333	12,692	718,773	16,873	14,378	829,246	3,540	1,606	110,473

This budget activity includes the cost of food; medical care; clothing; linens; security; welfare services; release clothing, transportation and gratuities; housing unit furnishings; academic; social and occupational education courses; leisure time programs; and religious and psychology services. Also included are the salaries and other expenses of Public Health Service commissioned officers stationed in Federal Prison System facilities.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate Care...............................	2,506	2,156	$246,273	2,506	2,296	$256,617	3,439	2,756	$305,767	933	460	$49,150

Long-Range Goal: To provide offenders incarcerated in the Federal Prison System with a nutritional diet; comprehensive, accessible high quality health care services; clean clothing, footwear, linens, toiletries and stationery; and to properly manage the Inmate Trust Fund.

Major Objectives:

Provide three nutritional meals daily including provisions for medical and religious diets.

Continue cost-effective farm operations to supplement food purchased from local sources.

Professionally analyze food service programs for nutritional adequacy.

Continue to provide current level health care services in all institutions, which include promotion of good health practices, prevention of diseases and disability, inpatient and outpatient treatment, medical rehabilitation services, health education, and to promote dental hygiene and prevention of dental disease.

Meet and/or maintain medical accreditation requirements in all institutions.

Acquire and provide an adequate supply of clothing, footwear, linens, toiletries and stationery items for distribution to the inmate population.

Maintain laundry and clothing issue/return operations and the Inmate Trust Fund.

Base Program Description: The Federal Prison System (FPS) continues to provide three nutritional meals daily. These meals are certified for nutritional adequacy by registered dieticians and are well within the Recommended Dietary Allowances of the Department of Agriculture's National Research Council. Meal preparation is accomplished primarily by inmate workers (about 10 percent of the population) under the supervision of staff. The United States Penitentiary at Lompoc, CA and the Federal Correctional Institution at El Reno, OK utilize available land resources in the limited production of beef and milk. Farm products are consumed at the producing institutions and are also shipped to nearby institutions to offset their need to purchase some products on the open market.

Medical services are provided by a variety of professional and para-professional health care personnel including physicians, dentists, nurses, pharmacists and physician assistants. Within 14 days of admission, all inmates receive a complete physical, mental health, and dental examination. Sick call, which includes examination of patient complaints, ordering and assessment of diagnostic tests and a medical treatment plan is conducted five days a week. Medical emergencies during other than normal working hours or on weekends and holidays are handled on an on-call basis. If an inmate has a health condition which is beyond the professional capability of the institution's medical staff, the inmate is referred to a contract physician or hospital in the community or one of the bureau's medical referral centers.

The Medical Center for Federal Prisoners (MCFP) at Springfield, MO is the major medical referral center for the Federal Prison System. There are five additional regional medical centers within the FPS health care delivery system. The Federal Medical Center (FMC), Rochester, MN accepts referrals of both male and female specialty medical and psychiatric cases made nationwide as a result of its affiliation with the Mayo Clinic. The Federal Correctional Institution (FCI), Butner, NC provides for male psychiatric cases mainly from the Northeast and Southeast Regions. FCI, Lexington, KY handles female medical, surgical, and psychiatric cases nationwide. Also, selected chronic (disabled, handicapped, geriatric) cases are referred to Lexington on a nationwide basis. FCI, Terminal Island, CA accepts referrals of both male and female medical and surgical and male psychiatric cases primarily from the Western Region. Finally, FCI, Fort Worth, TX accepts referrals for male geriatric cases.

The U.S. Public Health Service continues to provide personnel in support of the Federal Prison System medical program. Medical, surgical, and rehabilitative services not available in FPS medical facilities, are provided to inmates through contract arrangements with community hospitals and/or governmental health facilities.

The Federal Prison System maintains an inventory of clothing, footwear, toiletries, linens and writing supplies for issue to all inmates during incarceration. Clean clothing and linens are issued weekly in exchange for clothing and linens to be laundered. A laundry operation is maintained to clean all clothing and linens. All services are performed with inmate labor under staff supervision.

In addition, FPS maintains an Inmate Trust Fund account for all monies on deposit for each inmate. Monthly inmate earnings received for work with Federal Prison Industries, performance pay, and money from family, friends or other sources during visits or via the mail are deposited directly to each inmate's account. Inmates can withdraw funds when needed to make purchases from the commissary, send money to family members, pay for legal services or pay for supplies to participate in programs such as college courses or leisure activities.

Accomplishments and Workload: Actual and estimated accomplishments of the Inmate Care Program are presented in the following tables:

			Estimate	
	1988	1989	1990	1991
Food and Farm Services:				
Meals provided (Daily)........	131,505	151,134	169,200	187,350
Average cost per inmate per day (excluding salaries and benefits)........	$3.44	$4.21	$4.65	$5.05
Percent of Recommended Dietary Allowance........	100%	100%	100%	100%

			Estimate	
	1988	1989	1990	1991
Number of farms operated	2	2	2	2
Value of farm products in thousands	$1,000	$1,900	$2,030	$2,060
Medical Services:				
Total Outpatient Visits (yearly)	3,041,813	3,549,506	4,116,840	4,333,405
Average Number of Outpatient Visits (daily)	11,699	13,652	15,834	16,666
Average Daily Patient Load	1,172	1,367	1,586	1,669
Average Length of Stay	36	37	36	36
Hospital Days per Inmate per Year	9.1	9.3	9.1	9.2
Human Immunodeficiency Virus (HIV) Tests	31,456	26,486	32,523	44,572
Other Inmate Services:				
Supply of clothing/footwear	236,900	256,700	287,500	318,263
Supply of linens	348,750	377,900	423,200	468,482
Laundry manhours	18,000	19,500	21,500	23,800
Inmate Trust Fund collections ($ in 000's)	$81,037	$86,849	$103,727	$114,826
Inmate Trust Fund disbursements ($ in 000's)	$75,572	$82,240	$96,732	$107,082

The FPS has 24-hour or 16-hour medical coverage, as appropriate, at all of its institutions. The MCFP, Springfield, Missouri, the FMC, Rochester and the FCI's Lexington, KY, Butner, NC, Fort Worth, TX and Terminal Island, CA have maintained accreditation by the Joint Commission on Accreditation of Healthcare Organizations.

The Presidential Commission on the HIV epidemic acknowledged the Bureau's HIV program as a model in corrections through continued emphasis on education, follow-up and monitoring of the prevalence of HIV infection within the inmate population. A random sample shows a relatively stable 2.5% of incoming inmates as HIV positive and no seroconversions beyond six months. However, with the population growth during 1989, the FPS has provided care and treatment to an increasing number of AIDS patients. This trend is expected to accelerate as a result of changes in sentencing guidelines and mandatory sentencing.

During 1989, the FPS established a National Wellness Program for staff. The program will provide information, education, and assistance. Proper nutrition, weight management and smoking cessation will be a few of the areas emphasized by the Wellness Program.

	1991 Base			1991 Estimate			Increase/Decrease		
Program Changes:	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate Care	2,506	2,296	$256,617	3,439	2,756	$305,767	933	460	$49,150

The request includes $12,796,000 to provide for a projected increase in the average daily population of 6,050 from 56,400 in 1990 to 62,450 in 1991. Within this amount, $5,963,000 is for food supplies, $5,412,000 is for medical services and supplies and $1,421,000 is for clothing, footwear, bedding, toiletries, etc. In addition, 137 positions, 69 workyears and $14,246,000 are included in this level to provide resources to activate new facilities in 1991 as follows:

Facility:	Estimated Activation Date	Food and Farm Service			Medical Services			Other Inmate Services		
		Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Minersville, FCI, SL-4, 700 beds	6/91	13	4	$1,243	16	5	$1,586	2	2	$365
Manchester, FCI, SL-4, 700 beds	6/91	13	4	1,076	16	5	1,385	2	2	312
Fairton Satellite Camp, SL-1, 150 beds	10/90	3	3	356	2	2	440	1	1	89
Butner Satellite Camp, 150 beds	10/90	3	3	321	2	2	386	1	1	80
Big Spring Housing Unit, SL-1, 240 beds	6/91	4	1	321	4	1	385	1	1	81
Otisville Satellite Camp, 150 beds	6/91	3	1	269	2	1	311	1	1	70
Tallahassee Satellite Camp, 150 beds	6/91	3	1	234	2	1	268	1	1	62
Tyndall Housing Unit, SL-1, 225 beds	6/91	4	1	345	4	1	415	1	1	87
Loretto Housing Unit, SL-1, 100 beds	6/91	1	...	165	1	1	204	1	1	50
Danbury Satellite Camp, 150 beds	6/91	3	1	269	2	1	311	1	1	70
Tallahassee Detention Unit, SL-A, 150 beds	10/90	3	3	321	2	2	386	1	1	92
Fort Worth Detention Unit, SL-A, 150 beds	10/90	3	3	294	2	2	343	1	1	82
Milan Detention Unit, SL-A, 150 beds	6/91	3	1	243	2	1	278	1	1	76
Atlanta Detention Unit, SL-A, 150 beds	6/91	3	1	234	2	1	268	1	1	73
Total		62	27	5,691	59	26	6,966	16	16	1,589

This budget also provides 808 positions, 403 workyears and $22,172,000 to improve staffing in the inmate care program as a result of workload increasing in direct proportion to the inmate population.

Within the request to improve staffing is 156 positions, 77 workyears and $3,633,000 for the food service program. Since 1981, the number of meals prepared on a daily basis have increased by 100 percent from 71,349 to 151,134. This workload increase has created a severe strain on the food service programs capability to supervise the preparation, service and clean-up of three daily meals. Most institutions have had to extend hours of operations and, in some cases, add an extra shift. It should be emphasized that the quality of the food service program has a dramatic impact on inmate morale.

Also staff increases include 614 positions, 307 workyears and $17,939,000 to maintain the delivery of medical services at existing institutions. With the increased inmate population there is a commensurate increase in the number of patients and patient visits for the wide variety of medical services that the Federal Prison System is required to provide. Modest increases in staffing are required to continue to provide comprehensive, accessible health care services.

Finally, 38 positions, 19 workyears and $600,000 will enable the laundry, clothing issue/return, and inmate trust fund operations to continue uninterrupted. Like food service, hours of operation have been extended and extra shifts added.

These increases are partially offset by A-76 savings of 12 positions, 12 workyears and $64,000.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Security	7,347	6,644	$265,193	7,347	7,066	$284,010	9,102	7,894	$315,423	1,755	828	$31,413

Long Range Goal: Provide institution security, inmate control, and inmate supervision to assure maximum protection for the community, staff, and inmates consistent with program requirements in all FPS facilities.

Major Objectives:

Reduce or minimize the situations and opportunities which can lead to prohibited acts such as escapes, homicides, assaults, suicides, and drug transactions.

Maintain an effective transportation system for prisoners in conjunction with the U.S. Marshals Service.

Base Program Description: All institutions are assigned a security classification based in part on the physical design of each facility. There are six security level classifications, one being the least restrictive and six the most restrictive. Offenders are assigned a custody status which relates to the degree of supervision needed, and from a security and custody standpoint, are assigned to an institution. The result is a grouping of offenders with similar custodial needs in an institution. This significantly reduces the mixing of predatory and non-predatory offenders.

Within each institution, correctional officers are assigned to security posts which are primarily established on the basis of structural\ visual considerations. The two basic categories of security are perimeter security and internal security. Perimeter security consists of walled or fenced perimeter supplemented by manned gunned towers, razor wire strung between a double fence, high mast lighting to illuminate the perimeter, perimeter patrols and highly technical equipment such as alarm systems and video surveillance. Entrances through the perimeter are controlled by a series of gates, both electrical and manual, supplemented by metal detection systems and search procedures for weapon and contraband control. For all practical purposes, all other security measures, processes and activities can be called internal security, commencing when an inmate is committed and terminating upon his\her release. Supervision of inmates is provided in living units, visiting areas, dining halls, recreation areas, and any other area where inmates may be located or have access to.

Regularly scheduled counts are conducted several times a day in all institutions in order to monitor inmates whereabouts. Work supervisors and program personnel are held strictly accountable for all inmates under their supervision.

Violations of institution regulations are dealt with through the Inmate Disciplinary Process. Correctional staff investigate the incident, prepare a report and submit it to the Unit Discipline Committee, which usually consists of a unit manager, case manager and a correctional counselor. Depending on the seriousness of the charge, the Unit Committee may hear and decide the case or refer it to the Institution Discipline Committee for hearing and decision. An administrative remedy process provides for appeals to decisions of the Committee.

The Administrative Detention program provides for the separation of offenders from the general population who require special protection and for those who pose a serious escape risk or threat to the security and orderly operation of the institution. The Disciplinary Segregation Program provides for segregation of offenders who have committed serious prohibited acts within the institutional setting. Inmates are held in segregation only after a due process hearing where the inmate is given the opportunity to rebut the charges.

In coordination with the United States Marshals Service, the Federal Prison System maintains a prisoner transportation system including the transportation of Witness Security inmates.

Accomplishments and Workload: Actual and estimated accomplishments of the Institution Security program are presented in the following table:

			Estimates	
	1988	1989	1990	1991
Successful confinement rate	98.5%	98.5%	98.5%	98.5%
Incapacitation rate	99.5%	99.5%	99.5%	99.5%
Security staff coverage rate	85%	87%	90%	96%
Staff to inmate ratio:				
Morning watch (midnight to 8:00 AM)	1:68	1:72	1:68	1:64
Day watch (7:30 AM to 4:00 PM)	1:24	1:26	1:24	1:21
Evening watch (4:00 PM to midnight)	1:38	1:40	1:35	1:29

The successful confinement rate is the percent of those inmates who will not be involved in assaults, homicides and suicides. The incapacitation rate is the percent of inmates confined who will not escape. As illustrated in the above table, FPS continues to minimize the situations and opportunities which lead to prohibited acts. In 1989, only one percent of the FPS average daily population were involved in assaults, homicides, suicides and escapes.

FPS establishes institution staffing guidelines through ongoing full-field reviews which consider the institution's security level, posts such as front entrance, control room, housing units, segregation/detention, visiting rooms, perimeter security activities areas, etc., and rated capacity and overcrowding level. The security staff coverage rate is the percent of institution posts that can be covered with available staff (workyears). Covering all posts improves security and is a factor in reducing the incidents of negative inmate behavior.

It should be emphasized that the Institution Security Program is on a twenty-four hours per day/seven days per week basis. Staff as measured in workyears must be distributed between three work shifts as referred to in the above workload table as the morning, day, and evening watch. Thus, a presentation of an overall security staff to inmate ratio of 1:8 in 1991 would be totally misleading. As indicated in the above table, an FPS facility on the average could expect a security staff to inmate ratio of 1:64 on the morning watch, 1:21 on the day watch and 1:29 on the evening watch. In reality, even these ratios are misleading because the staff on duty are assigned to different posts, e.g., control room, housing units, perimeter security, etc. An officer assigned a housing unit post can expect a 1:150/200 staff to inmate ratio.

The U.S. Penitentiary at Marion, Illinois continues to house the 350 most dangerous offenders in the Federal Prison System. Approximately 25 percent of the Marion population is now housed in units whose operation approximates those of other Federal penitentiaries. Assault rates have dramatically decreased at Marion. In addition, we believe that Marion serves as a disincentive to assaultive behavior by inmates in other institutions.

During 1989, the prisoner transportation system handled 107,127 moves, an increase of 15,000 over 1988. In addition, over 123 Witness Security cases were relocated without incident.

	1991 Base			1991 Estimate			Increase/Decrease		
Program Changes:	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Security..................................	7,347	7,066	$284,010	9,102	7,894	$315,423	1,755	828	$31,413

The request includes $1,223,000 to provide for security supplies associated with a projected Federal inmate population increase of 6,050 from 56,400 in 1990 to 62,450 in 1991.

In addition, the request includes 326 positions, 133 workyears and $6,719,000 to provide resources to activate new facilities in 1991 as follows:

	Estimated Activation Date	Institution Security		
Facility:		Pos.	WY	Amount
Minersville, FCI, SL-4, 700 beds..................	6/91	106	35	$1,754
Manchester, FCI, SL-4, 700 beds..................	6/91	106	35	1,660
Fairton Satellite Camp, 200 beds..................	10/90	9	9	399
Butner Satellite Camp, 150 beds..................	10/90	9	9	379
Big Spring Housing Unit, SL-1, 240 beds..................	6/91	14	5	277
Otisville Satellite Camp, 150 beds..................	6/91	9	3	209
Tallahassee Satellite Camp, 150 beds..................	6/91	9	3	191
Tyndall Housing Unit, SL-1, 225 beds..................	6/91	14	5	290
Loretto Housing Unit, SL-1, 100 beds..................	6/91	5	2	129
Danbury Satellite Camp, 150 beds..................	6/91	9	3	209
Tallahassee Detention Unit, SL-A, 150 beds..................	10/90	9	9	405

Facility:	Estimated Activation Date	Institution Security Pos.	WY	Amount
Fort Worth Detention Unit, SL-A, 150 beds	10/90	9	9	385
Milan Detention Unit, SL-A, 150 beds	6/91	9	3	218
Atlanta Detention Unit, SL-A, 150 beds	6/91	9	3	214
Total		326	133	6,719

Finally, this budget includes 1,466 positions, 732 workyears and $23,670,000 to improve security staffing at existing institutions. Operating the Federal Prison System at 66 percent over its designed capacity without commensurate staffing increases has placed too severe demands on too few staff.

Failure to improve staffing systemwide in light of the level of overcrowding can seriously compromise institution security, endangering life and property.

These increases are partially offset by A-76 savings of 37 positions, 37 workyears and $199,000.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Unit Management	2,317	2,122	$99,877	2,317	2,246	$107,602	2,829	2,490	$127,452	512	244	$19,850

Long Range Goal: To establish a safe, humane environment which minimizes to the extent possible, the detrimental effects of confinement; and to provide a variety of counseling programs which are most likely to aid inmates in a successful adjustment to the institution and, upon release, a successful return to the community.

Major Objectives:

Subdivide the inmate population into small well-defined and manageable groups whose members develop a common identity from close association with each other and their unit staff.

Increase the frequency of contacts and improve relations between staff and inmates.

Ensure that decisions regarding inmates are made by staff most closely associated with those inmates, increasing the quality and swiftness of the decisions.

Provide opportunities for individual and group counseling in each unit.

Provide drug abuse programs for inmates who have the need and motivation to participate.

Base Program Description: The purpose of the Unit Management program is to improve inmate control and establish healthy relationships between staff and inmates by dividing the large institution population into smaller, more manageable groups. A team of multi-disciplinary staff who have administrative and supervisory authority in most institutional aspects of programming and living are permanently assigned and located in the unit to work with the inmates. This places services closer to the users and permits decision-making by those who are most knowledgeable of the inmates and their programs. The increased interaction between inmates and staff enhances communication and understanding of inmate needs to a level not possible in a centralized correctional environment. The program is carried out through the proper classification of inmates and development of inmate programs on the basis of need and motivation.

__Accomplishments and Workload__: Actual and estimated accomplishments of the Unit Management program are presented in the following table:

	1988	1989	Estimates 1990	Estimates 1991
Average daily population	43,835	50,378	56,400	62,450
Number of Units	234	323	283	314
Counseling Hours	463,500	545,193	667,440	740,858
Initial Classification Studies	20,401	43,249	24,676	27,390
Study & Observation Reports	755	133	913	1,013
Transfer Reports	13,033	14,962	15,765	17,499
CCC Referral Reports	8,174	1,355	9,887	10,974
Furloughs Processed	18,783	16,138	19,161	19,356
Releases	26,739	30,730	34,404	38,188

The Federal Prison System has virtually met its goal of establishing functional unit management in most of its facilities. However, because of the rapid growth in population, it has become necessary in some instances to return to a centralized management system or to administratively combine two units into one larger unit under the supervision of one unit manager.

__Program Changes__:	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Unit Management	2,317	2,246	$107,602	2,829	2,490	$127,452	512	244	$19,850

The request provides an additional $1,284,000 for contract services and supplies associated with the projected population increase of 6,050 from 56,400 in 1989 to 62,450 in 1991. In addition, this level includes 85 positions, 51 workyears and $6,050,000 to activate or expand this program at the following facilities scheduled for completion during 1991.

__Facility__:	Estimated Activation Date	Unit Management Pos.	Unit Management WY	Unit Management Amount
Minersville, FCI, SL-4, 700 beds	6/91	28	9	$1,400
Manchester, FCI, SL-4, 700 beds	6/91	28	9	1,231
Fairton Satellite Camp, 150 beds	10/90	5	5	356
Butner Satellite Camp, 150 beds	10/90	5	5	325
Big Spring Housing Unit, SL-1, 240 beds	6/91	7	2	309
Otisville Satellite Camp, 150 beds	6/91	5	2	249
Tallahassee Satellite Camp, 150 beds	6/91	5	2	218
Tyndall Housing Unit, SL-1, 225 beds	6/91	7	2	329
Loretto Housing Unit, SL-1, 100 beds	6/91	3	1	166
Danbury Satellite Camp, 150 beds	6/91	5	2	249
Tallahassee Detention Unit, SL-A, 150 beds	10/90	5	5	363
Fort Worth Detention Unit, SL-A, 150 beds	10/90	5	5	334
Milan Detention Unit, SL-A, 150 beds	6/91	5	2	265
Atlanta Detention Unit, SL-A, 150 beds	6/91	5	2	256
Total		118	53	6,050

The request includes 406 positions, 203 workyears and $12,500,000 to continue to improve drug abuse treatment case management and counseling services. Of this amount, 100 positions, 75 workyears and $6,757,000 is requested to establish eight to ten "intensive drug treatment programs" with the ability to accommodate approximately 1,000 inmates. In addition, "low intensity" drug abuse educational programs will be further developed to address the needs of approximately 2,000 more inmates. Finally, an extensive network of pre-release drug abuse treatment will be implemented as an integral part of the overall program.

In the past two years, nearly 40 percent of all new Bureau of Prisons commitments screened by institutional psychologists have been identified as having moderate to severe drug abuse histories. This percentage is anticipated to grow substantially due to the emphasis in this area of Federal Law enforcement efforts and the impact of the Anti-Drug Abuse Act of 1986 (which increases the period of time served for conviction of drug distribution).

A number of research findings provide an argument for attempting to reduce the level of drug usage among prisoners. These include findings that 75 percent of all robberies reported by a national sample of youth and 50 percent of the felony assaults were committed by a small, but highly criminal group, who were cocaine, heroin, or pill users (Johnson et al., 1983); that the criminal activity of drug abusers increase when they are using drugs and decrease when they are abstinent (Ball et al., 1983); (McGlothlin et al., 1978). These later studies clearly confirm one of the major assumptions of drug treatment - that reducing the level of drug usage can reduce the level of criminal activity, even among relatively hard-core drug users.

Recent research findings from programs such as Phoenix-House, Cornerstone, and "Staying-Out", have shown that these type of intensive residential programs can be very successful in treating offender populations. Based on what has been found by researchers to be effective in treating offenders with drug histories, the Bureau is currently starting two "pilot demonstration programs" in an effort to further determine specifically what treatment components are effective. Unfortunately, the total number of inmates participating in these pilot programs will be less than 200.

The remaining staff increase, 306 positions, 128 workyears and $5,437,000, is requested to keep pace with case management and counseling workload. Because of the projected increase the case manager's time will be primarily devoted to preparing mandatory reports such as initial classification studies, parole hearing reports, study and observation reports, transfer reports, and CCC referral reports. The timeliness of these reports will suffer and other duties such as Central Inmate Monitoring, technical assistance and inmate counseling will not receive adequate attention without additional staff. This request will enable existing institutions to adhere to the established staffing guidelines of not less than one case manager per 100 inmates, not less than one counselor per 100 inmates and not less than one unit secretary for every 150 inmates.

These increases are partially offset by A-76 savings of 12 positions, 12 workyears and $64,000.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate Programs....................	1,163	1,018	$65,443	1,163	1,084	$70,544	1,503	1,238	$80,604	340	154	$10,060

Long Range Goal: Provide general and occupational education opportunities to all inmates desiring or required to participate; Provide Federal offenders with a full range of recreation and leisure activities to improve their physical and mental health and promote the development of personal, interpersonal and social skills to better enable them to cope with the psychological and physical impact of their incarceration;

Provide all prisoners with reasonable and equitable opportunities to pursue individual religious beliefs and practices within the constraints of confinement and;

Provide immediate and long-term psychological care for Federal inmates with mental health problems and assist in the decision making of the courts, prison administrators and parole officials.

Major Objectives:

Provide education programs designed to meet inmate needs for functional literacy, high school equivalency, continuing education, and personal growth and to enhance their employability upon release.

Maintain education program certification or accreditation by regional Associations of Colleges and Schools or other appropriate accrediting agencies.

Provide a variety of indoor and outdoor physical, cultural, and related leisure activities with opportunities to belong to social and other groups.

Make available the appropriate worship services of the various religious disciplines represented within the inmate population and provide a variety of non-worship religious program options.

Provide psychological screening for every inmate admitted to the FPS.

Provide psychological care to inmates admitted to inpatient mental health program.

Provide psychotherapy and crisis intervention counseling.

Provide employee assistance programs.

Provide psychological evaluations requested by the courts, parole officials, and prison administrators.

Continue drug abuse and alcohol abuse special treatment programs.

Provide staff training in mental health areas.

Base Program Description: Inmate programs include general and occupational education programs, leisure time activities and religious and psychology services.

General education programs are designed to meet specific inmate needs for functional literacy, high school equivalency, continuing education, and personal growth. There are six major components of the general education program: Adult Basic Education, General Education Development, Adult Continuing Education, English as a Second Language, Postsecondary Education and Social Education.

The Adult Basic Education is designed for the 25 percent of the inmate population having less than an eighth grade education. The General Education Development component is for the nearly 50 percent of Federal offenders who lack a high school diploma and consists of high school equivalency courses and general equivalency examinations. Adult Continuing Education courses are designed for inmates who have a desire to "brush up" in a special area or enroll in a special interest program, e.g., speed reading, English, mathematics, contemporary issues, history and foreign language. English as a Second Language (ESL) is offered in those institutions where English is not the primary language for a significant number of inmates. Postsecondary Education courses are for inmates who have successfully completed high school and want to further their education, e.g., drafting, computer technology, data processing, and dental technology. The Social Education component helps inmates develop a positive self-image and adequate social skills.

Occupational education programs serve to enhance the employability of offenders upon release, particularly those who either lack solid employment history or a saleable skill. The majority of Federal offenders are unskilled at the time of commitment to prison. Federal offenders can choose a vocation, through instruction, work experiences, and career orientation; acquire or improve productive work skills and habits; and gain practical knowledge essential to working and functioning in a complex industrial-technical world of work.

A wide variety of leisure time activities are offered at each Federal prison including indoor and outdoor individual athletic and sports activities, arts and crafts, music and drama activities, movies and frequently, guest performances.

Chaplaincy personnel conduct the religious services of their particular faith group and arrange for the delivery of religious services of other faith groups. Approximately 250 contracts are issued annually for the delivery of services of the smaller faith groups and other related religious services. Chaplains also recruit, train, supervise, and sustain approximately 2,500 volunteers from the community who regularly visit the institution to participate in the religious programming. Over 13,000 religious worship services are conducted each year representing the various religious disciplines within the prisoner population. In addition to worship services, chaplaincy personnel offer a wide variety of non-worship religious program options.

Psychology staff are an integral part of correctional treatment administering programs of group and individual psychotherapy, crisis intervention, personal development classes, and staff consultation/training. Policy requires that every inmate admitted to a FPS facility be given an initial psychological screening which consists of psychological testing, psychological interviews, social history reviews, and behavioral observation. The purposes of the screening are to identify special treatment and/or referral needs; provide information useful in future crisis-counseling situations; identify strengths as well as potential adjustment problems to imprisonment; and discuss possible program needs with the inmates and provide information about them.

Both individual and group psychotherapy is available to inmates who express a desire and evidence need for it. Training and orientation programs are also offered for developing "life competency skills" including communication, assertiveness, self-image, interpersonal relationships, conflict resolution, problem solution and work skills. Short-term crisis counseling has been acknowledged by mental health professionals as a powerful, viable skill. FPS psychologists have expertise in this area and have provided training and consultation to staff in all institutions. FPS psychologists have traditionally provided the courts, parole officials and prison administrators with quality psychological evaluations.

Accomplishments and Workload: Actual and estimated accomplishments of this program are presented in the following table:

			Estimates	
	1988	1989	1990	1991
Education:				
Enrollments:				
Adult basic education	17,614	17,716	19,664	21,828
Adult continuing education	12,425	17,460	19,380	21,512
General education development	5,048	6,336	7,032	7,807
Post secondary education	9,213	10,877	12,073	13,402
Occupational education	14,615	17,195	19,086	21,186
English as a second language	3,096	4,533	5,032	5,585
Completions:				
Adult basic education	8,462	10,104	11,215	12,449
Adult continuing education	9,534	14,652	16,264	18,053
General education development	2,406	2,862	3,177	3,526
Post secondary education	6,068	8,425	9,352	10,381
Occupational education	9,045	11,125	12,349	13,707
English as a second language	1,086	1,513	1,679	1,864
Religious Services:				
Worship	13,211	14,800	16,428	18,235
Non-worship programs (represent monthly totals)	16,044	19,200	21,312	23,656
Psychology Services:				
Witness protection evaluation	260	307	336	372
Court evaluations	2,237	2,340	2,714	3,005

	1988	1989	Estimates 1990	Estimates 1991
Routine evaluations	44,048	47,620	53,452	59,186
Individual therapy sessions	42,998	46,580	52,179	57,776
Group therapy sessions	12,375	13,400	15,017	16,628
Participants in group therapy	35,741	38,090	43,372	48,025
Crisis intervention sessions	33,766	36,491	40,976	45,371
Suicide prevention evaluations	1,600	1,651	1,750	1,850
Personnel interviews	4,200	4,250	4,500	4,700
Employee assistance contacts	1,450	1,439	1,550	1,600
Staff training sessions	5,657	6,118	6,852	7,587
Unit team meetings	12,652	13,090	15,353	17,000

All inmates except those specifically exempt, e.g., detained aliens, who function below the eighth grade level, are now enrolled in a mandatory Adult Basic Education program. Promotions to industry and institution jobs above the entry level depend on meeting the eighth grade level standard. Inmates who wish to be promoted to top pay positions must show prior attainment of a high school diploma or equivalency certificate. Approximately 4,000 General Education Development tests are administered annually. Post Secondary Education programs continue to have one of the highest retention rates of all education programs. Completion rates in college courses are in excess of 50 percent. Over 150 Federal prisoners earn college degrees annually, most of them AA degrees.

Education services at the Federal Correctional Institutions (FCI's) Alderson, WV; Danbury, CN; Milan, MI; Morgantown, WV; Oxford, WI; Safford, AZ and Tallahassee, FL; Pleasanton, CA; Sandstone, MN; Terminal Island, CA; Otisville, NY; Englewood, CO; Ray Brook, NY; the Federal Prison Camp Boron, CA; United States Penitentiaries (USP's) Lewisburg, PA; Lompoc, CA; Terre Haute, IN; and Leavenworth, KS; and the Medical Center for Federal Prisoners at Springfield, MO are now accredited by the regional commissions of colleges and schools. In addition, accreditation procedures are in progress at several other institutions.

Apprenticeship programs have been expanded to over 300 training units in approximately 80 different trade classifications at 32 institutions. Approximately 500 inmates enroll in apprenticeship programs annually. Uniform curriculum performance standards have been established for adult basic education, machine shop and welding vocational courses. Computer assisted instruction (CAI) is available in most institutions. Twenty-six institutions use an integrated CAI system to supplement literacy, high school and related classroom instruction. This system can provide up to 2,000 hours of individualized instruction.

FPS continues to provide 100 percent of the psychological screening for every new admission, the psychological evaluations requested by the courts, and the crisis intervention counseling.

Program Changes:	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Inmate Programs	1,163	1,084	$70,544	1,503	1,238	$80,604	340	154	$10,060

In 1991, FPS projects an average daily population of 62,450, an increase of 6,050 over the 1990 estimate of 56,400. Included in the request level is $1,672,000 to provide supplies and contract services for the increased population as follows: Education, $924,000; Leisure Activities, $471,000; Religious Programs, $170,000; and Psychology Services, $107,000.

In addition, 89 positions, 32 workyears and $3,159,000 are requested to permit the activation of new facilities scheduled in 1991 as follows:

Facility:	Estimated Activation Date	Education Pos.	Education WY	Education Amt.	Leisure Pos.	Leisure WY	Leisure Amt.	Religious Pos.	Religious WY	Religious Amt.	Psychology Pos.	Psychology WY	Psychology Amt.
Minersville, FCI, SL-4, 700 beds	6/91	15	5	$360	5	2	$213	2	1	$73	3	1	$92
Manchester, FCI, SL-4, 700 beds	6/91	15	5	334	5	2	190	2	1	66	3	1	85
Fairton Satellite Camp, 150 beds	10/90	1	1	74	1	1	64	...	...	7	1	1	60
Butner Satellite Camp, 150 beds	10/90	1	1	69	1	1	59	...	...	6	1	1	59
Big Spring Housing Unit, SL-1, 240 beds	6/91	2	1	59	1	...	44	1	...	24	1	...	24
Otisville Satellite Camp, 150 beds	6/91	1	...	43	1	...	40	...	...	6	1	...	23
Tallahassee Satellite Camp, 150 beds	6/91	1	...	39	1	...	35	...	...	5	1	...	22
Tyndall Housing and Support Facility, 225 beds	6/91	2	1	63	1	...	47	1	...	26	1	...	25
Loretto Housing Unit Expansion, 100 beds	6/91	1	...	32	1	...	30	...	...	4	...	...	4
Danbury Satellite Camp Expansion, 150 beds	6/91	1	...	43	1	...	40	...	...	6	1	...	23
Tallahassee Detention Unit, 150 beds	10/90	1	1	75	1	1	65	...	...	8	1	1	61
Fort Worth Detention Unit, 150 beds	10/90	1	1	70	1	1	60	...	...	7	1	1	60
Milan Detention Unit, 150 beds	6/91	1	...	45	1	...	42	...	...	8	1	...	24
Atlanta Detention Unit, 150 beds	6/91	1	...	44	1	...	41	...	...	7	1	...	24
Total		44	16	1,350	22	8	970	6	2	253	17	6	586

The request also includes 256 positions, 127 workyears and $5,250,000 to improve staffing of inmate programs at existing institutions as follows:

	Pos.	WY	Amount
Education Programs	132	65	$2,534
Leisure Programs	54	27	932
Religious Services	24	12	578
Psychology Services	46	23	1,206
	256	127	5,250

Additional teachers are required for the mandatory adult basic literacy program and increased high school equivalency requirements associated with actual and projected increases in the Federal inmate population. In addition, fifty-four additional recreation specialists are required to properly supervise activities and thus minimize the opportunities which can lead to prohibited acts. The dramatic increase in the Federal inmate population has also intensified the demand for religious services, not only for worship services but also non-worship program options including counseling services for family crisis, marriages, deaths, illnesses and marital problems; prayer meetings; moral growth seminars; revivals; etc. Finally, the population explosion has also increased the demand for psychology services including psychological screening/evaluations, suicide prevention, group and individual therapy and crisis intervention. In addition, the Federal Prison System needs to expand drug/alcohol abuse counseling programs commensurate with the inmate population's actual and projected growth.

These increases are partially offset by A-76 savings of 5 positions, 5 workyears and $21,000.

Activity: Institution Administration and Maintenance	1990 Appropriation Enacted Perm. Pos.	1990 Appropriation Enacted WY	1990 Appropriation Enacted Amount	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Institution Administration	1,682	1,713	$141,529	1,682	1,840	$150,065	2,294	2,134	$174,716	612	294	$24,649
Staff Training	173	145	15,349	173	166	16,203	357	256	21,437	184	90	5,234
Institution Maintenance	1,370	1,226	154,765	1,370	1,302	162,624	1,688	1,449	184,310	318	147	21,686
Total	3,225	3,084	311,643	3,225	3,308	328,892	4,339	3,839	380,461	1,114	531	51,569

This budget activity covers all costs associated with the general administration, operation and maintenance of facilities. Included are functions of the warden's office, legal counsel, personnel, financial management, records office, safety, staff training, mechanical services, motor pool operations, power house operations and other administrative functions.

	1989 Appropriation Enacted			1990 Base			1990 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Administration........	1,682	1,713	$141,529	1,682	1,840	$150,065	2,294	2,134	$174,714	612	294	$24,649

Long Range Goal: To continue to provide effective and innovative administration at all institutions and continually seek ways to improve existing administrative practices and procedures.

Major Objectives:

Provide executive direction and control at each institution.

Manage each institution's financial resources.

Assemble and maintain an effective workforce and administer personnel policies.

Provide for Equal Employment Opportunity.

Provide for a Drug Free Workplace.

Maintain effective procedures for the processing and disposition of Federal offenders.

Process all official and inmate mail.

Maintain inmate records.

Maintain standards for safe and healthy working/living conditions.

Base Program Description: The Institution Administration Program consists of an institution's executive staff, financial management office, personnel office, administrative systems office and safety office.

The executive staff at each institution including wardens, associate wardens, and executive assistants, provide overall direction and implement policies.

The financial management office is charged with the management and control of all allotted funds with responsibility for procurement, property management, warehousing, issuing supplies, equipment, contracting for services, disbursement and collection of monies and collection, and input of all data for the automated accounting system and employee payroll.

The personnel office in assembling and maintaining an effective workforce, advertises all vacancies, collects applications, establishes promotion boards and prepares a list of eligible. The personnel office ensures that all position descriptions are current and accurate. It serves as the management representative to the union, develops manpower plans for institutions and plays a major role in recruiting minorities to meet Equal Employment Opportunity goals.

The inmate systems management office is responsible for the processing of detainers and the admission, transfer, sentence computation for and discharge of all Federal prisoners. The admission process entails the identification of inmates, review of court documents, fingerprinting, photographing, and disposition of personal property. Following admission, the inmate systems office performs sentence computation, which involves adjustments due to U.S. Parole Commission action, Institution Disciplinary Committee actions and good time. This office also maintains relationships with Federal, state and local law enforcement agencies, including the courts and parole boards regarding the criminal status of incarcerated and released inmates. Inmate systems staff work with the U.S. Marshals Service and Federal Prison System bus and airlift personnel to coordinate prisoner transfers and consolidate all inmates' records.

In addition, the inmate systems management office provides paralegal services such as answers to show cause orders; determinations in sentence computation problems; interpretations of court orders; representation of the institution in court matters pertaining to inmate records; and providing expert testimony regarding sentence computation. The office is also responsible for the processing of all institution mail.

The safety program involves the inspection of institutions for sanitation, rodents, unsafe working conditions and presence of hazardous chemicals. The safety officer is responsible for processing accident reports and compensation forms for employees.

Accomplishments and Workload: Actual and estimated accomplishments for the Institution Administration program are presented in the following table:

			Estimates	
	1988	1989	1990	1991
Purchase Orders	150,659	173,554	155,178	159,833
Accounting transactions	5,114,850	6,341,494	6,546,008	7,246,431
Payments	525,719	640,017	672,920	744,922
Commitments Processed	27,937	30,628	35,759	39,585
Transfers In Processed	16,272	15,197	20,828	23,057
Other Movement In (Furloughs, Writs, etc.)	86,944	103,615	114,791	127,418
Discharges	12,174	12,886	15,583	17,250
Transfers Out	28,724	25,866	36,767	40,701
Other Movement Out	90,010	102,481	103,512	108,170
Personnel Actions (internal placement)	28,462	36,950	42,693	47,261
Safety Inspections	3,328	3,612	3,700	3,850
Accident/Injury Investigations	2,166	2,512	2,772	3,068
Fire Investigations	312	339	335	350

	1991 Base			1991 Estimate			Increase/Decrease		
Program Changes:	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Administration	1,682	1,840	$150,065	2,294	2,134	$174,714	612	294	24,649

Program Changes: This request provides $680,000 for the additional inmate record supplies and equipment resulting from a projected population increase of 6,050 from 56,400 in 1989 to 62,450 in 1991. Also included are 153 positions, 68 workyears, and $11,169,000 to activate or expend this program at the following facilities scheduled for completion during 1991.

	Estimated Activation Date	Institution Administration		
Facility:		Pos.	WY	Amount
Minersville FCI, SL-4, 700 beds	6/91	41	14	$2,966
Manchester, FCI, SL-4, 700 beds	6/91	41	14	2,901
Fairton Satellite Camp, SL-1, 150 beds	10/90	6	6	576
Butner Satellite Camp, 150 beds	10/90	6	6	563

Facility:	Estimated Activation Date	Institution Administration Pos.	WY	Amount
Big Spring Housing Unit, SL-1, 240 beds	6/91	8	3	547
Otisville Satellite Camp, 150 beds	6/91	6	2	396
Tallahassee Satellite Camp, 150 beds	6/91	6	2	385
Tyndall Housing Unit, SL-1, 225 beds	6/91	8	3	554
Loretto Housing Unit, SL-1, 100 beds	6/91	1	...	184
Danbury Satellite Camp, 150 beds	6/91	6	2	396
Tallahassee Detention Unit, SL-A, 150 beds	10/90	6	6	456
Fort Worth Detention Unit, SL-A, 150 beds	10/90	6	6	444
Milan Detention Unit, SL-A, 150 beds	6/91	6	2	402
Atlanta Detention Unit, SL-A, 150 beds	6/91	6	2	399
Total		153	68	11,169

An increase of 468 positions, 235 workyears and $12,908,000 is requested to continue to improve staffing in three critically understaffed areas: Inmate Systems Management, Financial Management, and Personnel Management. Special emphasis is given to Human Resource Development. With the Federal inmate population and the number of prison facilities projected to nearly double by the end of 1995, the recruiting, staffing, staff training and development requirements for the Bureau are truly staggering. The Bureau must begin now to acquire the staff resources to plan and implement the recruiting, training and staff development systems that will insure the existence of an ample pool of experienced and competent personnel to meet the substantial managerial and staffing demands resulting from this rapid growth.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Staff Training	173	145	$15,349	173	166	$16,203	357	256	$21,437	184	90	$5,234

Long Range Goals: To communicate current policies and procedures to all staff and to teach them the skills and techniques necessary to maintain a safe, secure and productive correctional environment.

To prepare and develop staff to meet and manage the future growth challenges of the Bureau of Prisons.

MAJOR OBJECTIVES:

Provide introductory and correctional training for all new staff and advanced correctional classes for experienced employees.

Provide job specialty training.

Restructure training programs to meet developmental needs of supervisors and managers.

Provide instructor skills training for all facilities.

Provide institution-based operations training for all staff.

Implement an active career development program which meets Bureau's staffing needs for the future.

Explore, examine, and where appropriate, utilize new technology in communication for delivery of training.

Identify and implement alternative training delivery methods to supplement correctional, specialty and management training currently conducted at our training centers.

Implement an effective on-going training needs assessment system for the Bureau of Prisons.

Develop and begin implementation of the concept of training institutions.

Explore desirability of a correctional cadet program.

Expand liaisons and investigate a wide variety of new approaches to staff development, to enrich and update BOP efforts.

Develop a cultural diversity training program which assists the Bureau of Prisons in utilizing the multi-cultural workforce projected for the future.

Base Program Description: Staff training is being provided on site at each of the institutions; at five residential training centers; through external training provided by the Office of Personnel Management, National Academy of Corrections, and other Federal agencies; by colleges and universities; and by private agencies.

The Bureau of Prisons operates a training academy at the Federal Law Enforcement Training Center, Glynco, Georgia, which provides introductory correctional training for all new employees. The training academy provides facilities for the housing of students, training in firearms, self-defense, disturbance control, bus operations, locksmith, and armed escort training. Course materials are organized and written, and provide instruction on abnormal behavior, community programs, counseling systems, the dynamics of prejudice, equal employment opportunity, employee conduct and responsibility, employee stress management, escapes, fire prevention, first aid, correctional practices, inmate discipline, interpersonal communications, and legal issues. The training center offers courses for required instructor certification in such areas as, firearms, self-defense, disturbance control, and instructors skills.

Most of the BOP's meetings, workshops, and conferences are held at the Management and Specialty Training Center in Denver, Colorado. Through arrangements with local housing establishments, there is an unlimited number of rooms available for students. This center can provide training/classroom space for over 100 students at any one time. A wide range of courses are available for supervisors and program managers and for trainers who conduct the institution's training programs. These include courses for equal employment opportunity counselors, unit managers, case managers, correctional counselors, correctional supervisors, medical records technicians, hospital administrative officers, and industrial mid-managers. The training center offers courses for required instructor certification in firearms, self-defense, disturbance control, and interpersonal communications.

The BOP also operates Food Service and Trust Fund Training Centers at the Federal Correctional Institution (FCI), Fort Worth, Texas, and a Paralegal Training Center in Dallas, Texas.

Approximately 80% of the Bureau's training is conducted on site at the institutions. Each institution has an Employee Development Manager who plans, manages, and organizes the institution's training programs. Certain institution conducted courses are required by national policy. For example, each new employee must be given one week of orientation training immediately upon entry on duty. Each experienced employee must be given correctional refresher training each year in such subjects as self-defense, disturbance control, firearms, fire protection, and inmate supervision. Each new case manager and unit manger must complete a self-study course in case management operations within sixty days of appointment.

The Career Development Office gathers, maintains and provides information to top management concerning Bureau of Prisons managers; develops and coordinates national programs to assist managers in the development of their careers; and conducts special research projects concerning our workforce.

Accomplishments and Workload: Actual and estimated accomplishments for the Staff Training program are presented in the following table (figures represent the number of students trained):

	1988	1989	Estimates 1990	1991
External Training Provided	3,430	4,802	6,722	7,461
STC Training Provided	2,538	3,725	4,974	5,521
MSTC Training Provided	1,070	2,742	2,097	2,328
Internal Training Provided	57,436	69,255	112,574	124,957

The Federal Prison System implemented a paralegal training program in April 1989 to help meet an increasing demand for legal services. The Training Center is in Dallas, Texas, and provides a twelve month paralegal training program, specifically geared to correctional litigation. Academic training is provided in a variety of legal subjects, coupled with actual work experience in processing administrative claims. The students also receive training in writing litigation reports and answering inmate grievances filed under the administrative remedy process.

During 1989, the Bureau of Prisons more than doubled the size of the Management and Specialty Training center in Denver, CO in response to the need for increased training brought about by the rapid expansion of the Federal Prison System. Further in line with this need, the Bureau developed and implemented the concept of a leadership forum - an intensive five day management development course for current and potential managers to meet the Bureau's needs during this period of rapid growth.

Program Changes:	1991 Base Perm. Pos.	WY	Amount	1991 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
Staff Training	173	166	$16,203	357	256	$21,437	184	90	$5,234

In 1991, the request includes 2 position, and $552,000 to provide training at the following facilities scheduled for completion during 1991:

Facility:	Estimated Activation Date	Staff Training Perm. Pos.	WY	Amount
Minerville, FCI, SL-4, 700 beds	6/91	1	...	$175
Manchester, FCI, SL-4, 700 beds	6/91	1	...	150
Fairton Satellite Camp, SL-1, 150 beds	10/90	...	...	19
Butner Satellite Camp, 150 beds	10/90	...	...	16
Big Spring Housing Unit, SL-1, 240 beds	6/91	...	...	21
Otisville Satellite Camp, 150 beds	6/91	...	...	19
Tallahassee Satellite Camp, 150 beds	6/91	...	...	16
Tyndall Housing Unit, SL-1, 225 beds	6/91	...	...	25
Loretto Housing Unit, SL-1, 100 beds	6/91	...	...	11
Danbury Satellite Camp, 150 beds	6/91	...	...	19
Tallahassee Detention Unit, SL-A, 150 beds	10/90	...	...	21
Fort Worth Detention Unit, SL-A, 150 beds	10/90	...	...	18
Milan Detention Unit, SL-A, 150 beds	6/91	...	...	21
Atlanta Detention Unit, SL-A, 150 beds	6/91	...	...	21
Total		2	...	552

The request also includes 184 positions, 92 workyears and $4,695,000 to expand training capabilities at our training academy at Glynco, Georgia and the management and specialty training center in Denver, Colorado commensurate with staff increases.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Maintenance..........	1,370	1,226	$154,765	1,370	1,302	$162,624	1,688	1,449	$184,310	318	147	$21,686

Long-Range Goal: Continue preventive maintenance program, provide continuous service of all utilities in the most energy efficient manner, and provide transportation services in support of institutional operations.

Major Objectives:

Purchase utilities or maintain and operate utility systems and central power plants.

Maintain and operate telecommunication and transportation services.

Maintain the interior of all buildings such as plumbing, electronics, masonry, mechanics, carpentry and painting.

Maintain the exterior of all buildings including landscaping, gardening fence repair and painting.

Implement motor vehicle management program.

Base Program Description: The Institution Maintenance Program covers the requirements for adequately maintaining and operating the physical plants of the Federal Prison System. Facilities vary in age from 100 years to buildings recently constructed. Over fifty (50) percent of the facilities are more than 30 years old which is the expected life of buildings without major repair. The facilities are situated on approximately 31,000 acres and the buildings contain approximately 16 million square feet of floor area, all of which must be maintained and furnished utility services. Complex heating and air conditioning systems, high pressure steam power plants, sophisticated hospital equipment, emergency electrical power systems and fire protection and life safety systems all require regular maintenance. Each institution maintains communication systems including complete private automatic branch exchange telephone systems, radio systems including base station and mobile units and several electronic detection and control systems. Additionally, this program provides for the maintenance and operation of approximately 900 vehicles.

Requirements are identified through regular inspections conducted in the on-going preventive maintenance program; formal semi-annual inspections; and through requests for specific needs identified by institution staff members. This program finances maintenance projects estimated to cost $4,000 or less. Maintenance requirements in excess of $4,000 are included in the "Modernization and Repair" program of the "Buildings and Facilities" appropriation.

The work within this program is accomplished almost entirely by inmate crews under staff supervision. Each work crew consists of a staff foreman and between five and fifteen inmates. Each institution must have highly skilled staff with experience and training in every phase of construction and maintenance work including steamfitters, air conditioning mechanics and electronics repairment. A few specific jobs are contracted out because special skills or equipment items are required, or because the work may be extremely dangerous. Examples of these jobs are elevator inspection and repair, radio frequency aligment, and water tower painting.

Accomplishments and Workload: Actual and estimated accomplishments of the Institution Maintenance program are presented in the following table:

			Estimates	
	1988	1989	1990	1991
Major maintenance projects completed ($200-$4,000)....................	952	970	1,080	1,177
Minor maintenance projects completed ($200 or less)..................	137,927	144,721	151,000	158,500
Power Plants operated..	31	36	37	39

	1988	1989	Estimates 1990	 1991
Energy Consumption:				
Electricity (KWH)	303,822,360	334,204,596	350,914,826	368,460,507
Natural Gas (cu ft)	1,814,363,197	1,995,799,516	2,095,589,492	2,200,368,967
#2 Fuel Oil (gal.)	1,716,475	1,888,123	1,982,529	2,081,655
#6 Fuel Oil (gal.)	520,487	520,487	520,487	520,487
Coal (Tons)	13,718	13,718	13,718	13,718
Propane (gal.)	1,181,702	1,181,702	1,181,702	1,181,702
Purchased Steam (lbs.)	4,471,114	4,471,114	4,471,114	4,471,114
Purchased Chilled Water (Ton Hours)	942	942	942	942
Vehicle miles driven	9,142,975	10,103,120	10,699,218	11,769,140

	1991 Base			1991 Estimate			Increase/Decrease		
Program Changes:	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Institution Maintenance	1,370	1,302	$162,624	1,688	1,449	$184,310	318	147	$21,686

The request includes an increase of $7,865,000 for utilities, trash removal, and maintenance supplies commensurate with a projected population increase from 56,400 in 1990 to 62,450 in 1991. In addition, this level includes 58 positions, 20 workyears and $7,683,000 to activate or expand this program at the following facilities scheduled for completion during 1991:

Facility:	Estimated Activation Date	Institution Maintenance Pos.	 WY	 Amount
Minersville, FCI, SL-4, 700 beds	6/91	22	7	$1,877
Manchester, FCI, SL-4, 700 beds	6/91	22	7	$1,634
Fairton Satellite Camp, SL-1, 150 beds	10/90	1	1	467
Butner Satellite Camp, 150 beds	10/90	1	1	402
Big Spring Housing Unit, SL-1, 240 beds	6/91	2	1	368
Otisville Satellite Camp, 150 beds	6/91	1	...	305
Tallahassee Satellite Camp, 150 beds	6/91	1	...	260
Tyndall Housing Unit, SL-1, 225 beds	6/91	2	1	398
Loretto Housing Unit, SL-1, 100 beds	6/91	1	...	208
Danbury Satellite Camp, 150 beds	6/91	1	...	305
Tallahassee Detention Unit, SL-A, 150 beds	10/90	1	1	449
Fort Worth Detention Unit, SL-A, 150 beds	10/90	1	1	391
Milan Detention Unit, SL-A, 150 beds	6/91	1	...	315
Atlanta Detention Unit, SL-A, 150 beds	6/91	1	...	304
Total		58	20	7,683

This request also includes 266 positions, 133 workyears and $6,171,000 to complete ongoing maintenance requirements identified through facilities inspections conducted as part of the preventive maintenance program. Over fifty (50) percent of the facilities are more than 30 years old which is the expected life of buildings without major repairs. In addition, operating the facilities at 67 percent over their designed capacity the past few years has further intensified maintenance workload demands. Failure to adequately maintain facilities erodes capital investment and multiplies the costs in future years for accomplishing the required repairs.

The increases in this budget are partially offset by A-76 savings of 17 positions, 17 workyears and $96,000.

Program Changes:	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Contract Confinement..............	177	151	$87,735	177	177	$90,778	211	194	$92,816	34	17	$2,038

Long Range Goal: To provide, through contract, high quality and diversified state, local and private facilities to house all offenders requiring confinement outside the Federal Prison System (including Community Corrections Centers formerly called Community Treatment Centers).

Major Objectives:

Place all youthful offenders committed under the provisions of the Juvenile Justice and Delinquency Prevention Act of 1974 and the Sentencing Reform Act of 1984 in appropriate non-federal juvenile facilities.

Place juveniles near their homes and in community-based facilities whenever possible.

House those offenders who are in danger in Federal institutions, in state correctional institutions or other facilities.

House offenders with sentences of up to 180 days or less in local detention facilities.

Provide community residential resources to all FPS releasees deemed eligible and appropriate for release to a Community Corrections Center (CCC) for an average length of stay of 120 days.

Provide 100 percent of the community residential program bed space requested by the Federal courts, the U.S. Probation Service and the U.S. Parole Commission.

Monitor contract facilities and provide training for all contractors annually.

Provide accurate and timely information to the Central Inmate Monitoring and Witness Protection tracking system.

Keep the Federal law enforcement agencies aware of changes in FPS policy, sentencing alternatives and other areas of concern.

Maintain close relationships with state and local correctional agencies to exchange information and manage resources.

Provide individual case management services and perform administrative systems functions for inmates confined in contract facilities.

Base Program Description: Certain categories of federal offenders are designated for confinement in state, local and private facilities. These include persons committed under the Federal Juvenile Statues, who must be separated from adult offenders and placed in community-based facilities near their residence whenever possible; adult offenders, whose lives might be endangered in Federal facilities (protection cases); and offenders with short sentences (generally 180 days or less) who are placed in local detention facilities (jails) for service of sentence.

In addition, FPS contracts with State, local and private community corrections centers for community residential bedspace for offenders who are eligible and need a pre-release transition program at the end of their sentences before returning to the community; who the Federal courts determine need more than probation and less than full institution confinement and services; who are under probation or parole supervision but need more intensive services and/or programs than can be provided under the "street" supervision of the U.S. Probation Officer; and who are committed directly from court generally serving short sentences. Contract CCCs provide services to inmates attempting to establish themselves as fully functioning citizens while still under supervision. Available services include individual and group counseling, supervised living quarters, employment and placement assistance.

Community Corrections Managers (CCM's) develop contractor resources and negotiate and monitor contracts for the boarding of Federal offenders in State and local institutions and in private residential community treatment centers. CCM's also make recommendations for designation of newly sentenced offenders and are responsible for the placement of direct commitments to non-Federal facilities. They provide case management services to all Federal inmates placed in non-Federal institutions and serve as technical consultants to contractors on FPS policy. In addition, CCM's serve as the FPS liaison with members of the U.S. Marshals Service, U.S. Probation Service, U.S. Parole Commission, Federal courts, other Federal agencies, state and local government agencies and local community agencies. There are presently 30 CCM's stationed in 30 major cities throughout the United States.

Accomplishments and Workload: Actual and estimated accomplishments for this program are presented in the following table:

			Estimates	
	1988	1989	1990	1991
Number of contracts with juvenile facilities	36	35	40	45
Number of contracts with adult facilities	40	37	40	45
Number of contracts with jails	335	290	300	320
Number of contracts with community corrections centers	325	283	300	325
Contract monitoring:				
Major use facility	75%	82%	90%	95%
Minor use facility	90%	86%	90%	95%
Designations	35,500	36,170	39,000	41,000
Average daily population:				
Juveniles	110	124	125	130
Adult Offenders	679	1,518	1,400	1,700
Short Termers	1,716	1,136	1,200	1,400
Contract Community Corrections Centers	3,690	3,445	3,700	3,900
Average Length of Stay in CCC's (days)	88	105	110	120

Since 1977, with only minor exceptions, the FPS has been able to place all juveniles in non-Federal juvenile facilities. During 1989, FPS contracted for the confinement of an average daily population of 124 juveniles. Roughly 24 percent of the juveniles are placed in community-based facilities and 27 percent are confined in their state of residence which enhances the opportunity to use available community resources and increases opportunities for visits from relatives and friends. In addition, FPS used adult state correctional institutions to house an average daily population of 1,518 adult Federal prisoners who needed protection and those who had special needs. We believe this action has prevented some deaths and assaults and has allowed these inmates to live in the general population and participate in programs. This program also allows approximately 5,409 short term offenders (or an average daily population of 1,136) to remain in their home community, near families and friends. It also saves the government transportation expenses to and from a Federal institution.

Since January 1982, the FPS has increased the number of inmates confined in contract CCC's from 948 to approximately 3,475 today. Currently the FPS is providing community residential programs at 82% of all FPS releasees deemed eligible and appropriate for release to a CCC for an average length of stay of 90 days. Community Programs Managers continue to closely monitor CCC placements to insure maximum utilization of CCC bed space within funds available.

An added benefit of contracting for the confinement of Federal prisoners in non-Federal facilities is that contract based population results in a reduction to FPS institution based population and thus reduces overcrowding.

Inmate contributions to the cost of residence in a Community Corrections Center, known as subsistence collections, have increased significantly over the past several years. The amount collected for FY 1989 was $5.5 million, a substantial increase from 1987, when collections amounted to less than $1 million. In 1988, the Bureau's philosophy of encouraging inmate financial responsibility was extended to Community Corrections and much greater emphasis was placed on subsistence collections. Since June 1988, inmates in CCC's have been required to pay the contractor 25 percent of their gross income, not to exceed the contract per diem rate. The contractors reduce their bills to the Bureau by the amount collected from inmates.

In 1989, 957 inmates, serving sentences in a CCC, had their parole advanced up to 60 days and were released with a special supervision of home curfew. Also, the FPS continued the pilot project called the Community Control Program in two districts, Southern Florida and Central California. Inmates who are CCC eligible will have their parole date advanced up to 180 days and will go directly into the community from the institution, where they will be monitored electronically by the U.S. Probation Office.

	1991 Base			1991 Estimate			Increase/Decrease		
Program Changes:	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Contract Confinement....................................	177	177	$90,778	211	194	$92,816	34	17	$2,038

In 1991, the request includes $1,000,000 to expand the electronic monitoring program by 250 inmates.

In addition, 36 positions, 19 workyears and $1,051,000 is requested to manage the significantly increased contract confinement program. Since 1982 the average daily population confined in contract facilities has increased by over 500 percent. All functions of the program have experienced dramatic workload increases. Combined with continued future emphasis on alternatives to incarceration, this increase is more than justified.

These increases are partially offset by A-76 savings of 2 positions, 2 workyears and $13,000.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control...	409	397	$19,627	409	412	$21,364	459	437	$22,735	50	25	$1,371
Administrative Services...........	327	320	42,894	327	336	44,535	387	367	46,624	60	31	2,089
Total...........................	736	717	65,521	736	748	65,899	846	804	69,359	110	56	3,460

This budget activity covers the costs of regional and central office executive direction and management support functions such as the executive staff, regional and central office program managers, research and evaluation, program analysis, budget development, policy development and implementation, system support, financial management, personnel, ADP, space management, and legal services.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control...	409	397	$19,627	409	412	$21,364	459	437	$22,735	50	25	$1,371

Long Range Goal: To continue providing effective, comprehensive direction and leadership to the Federal Prison System (FPS) by coordinating, initiating and evaluating planning and operational activities through the various central office branch chiefs, regional office program managers and the executive staff.

Major Objectives:

Establish and enunciate policy.

Provide legal counsel on correctional issues.

Plan, develop, coordinate, and evaluate FPS programs and activities.

Increase efficiency and program effectiveness.

Investigate alleged employee misconduct.

Maintain capabilities to respond effectively to public and congressional inquiries.

When necessary and appropriate, assist state correctional systems, the District of Columbia Department of Corrections, the U.S. Marshals Service, the Immigration and Naturalization Service and other jurisdictions experiencing difficulty by housing their offenders.

Have all Federal institutions as well as Central and Regional Offices accredited by the American Correctional Association.

Base Program Description: The Bureau of Prisons is managed from a central office in Washington, D.C., where the Director, Assistant Directors and General Counsel manage the agency's headquarters functions and five regional offices headed by a Regional Director. The Bureau of Prisons' Executive Staff which includes the Director, all Assistant Directors, and all Regional Directors reviews all major issues and determines major policy for the FPS.

The Executive Office of the Director is composed of the Director, a Chief of Staff, Public Affairs, Research, Strategic Planning and Internal Affairs sections, and the Office of General Counsel. These functions serve to assist the Director in managing overall agency functions through the Assistant and Regional Directors. The Chief of Staff serves a liaison with the other members of the Bureau's Executive Staff, and manages the immediate functions of the Director's Office.

The Office of Public Affairs is responsible for the public information, congressional liaison and communications functions within the Director's Office. Under the Office of Public Affairs are the Bureau's Public Information Officer, Congressional Liaison and Chief of Communications.

The Bureau's Office of Research and Evaluation provides information relevant to current and future questions in the field of corrections through social science research. Primary functions include conducting studies, developing and maintaining information systems, maintaining the Central Office Library, producing and distributing reports, responding to information requests, providing technical assistance, and processing research proposals.

The Office of Strategic Planning is responsible for supporting and monitoring the Bureau's strategic planning efforts. Staff of the Office provide training and support to the Central Office, Regional Offices, and field locations, assisting staff in adapting the principles of strategic management to their particular needs. This Office also coordinates the activities of all Wardens' Advisory Groups (WAGs), monitors the progress of Task Forces appointed by the Bureau's Executive Staff, and prepares summaries of issues presented before the Executive Staff.

The Bureau sets and enforces high standards of personal and professional conduct in its workforce. The Office of Internal Affairs (OIA), under the Director, provides liaison and investigative assistance to the recently established Department of Justice Office of the Inspector General regarding allegations of waste, fraud, mismanagement, and improper activities on the part of agency employees. Investigations that may lead to criminal sanctions are also coordinated by either the Office of the Inspector General (OIG) or the Federal Bureau of Investigation.

The Office of General Counsel provides legal advice and assistance to officials of the Bureau, with regard to management, policy development, decision-making and contract matters.

The Administration Division provides the resources and support necessary for the Bureau to perform in an effective and efficient manner. This includes the development and maintenance of the Bureau's physical facilities, the development of budget requests and stewardship of financial resources, the provision of modern, automated data and information systems, and other administrative support services as required by the organization.

The Correctional Programs Division is responsible for managing correctional services (security) operations in Bureau institutions, community corrections, case management and unit management as well as religious and psychology services.

The Health Services Division's mission is to provide high quality medical, dental, and psychiatric care, nutritious and appetizing meals for inmates, and safe living and working environments for all individuals committed to the custody of and working in the Bureau.

The Human Resource Management Division was created in June 1988. Establishing a separate Human Resource Management Division is consistent with the approach now taken by many public and private sector organizations, providing increased emphasis and priority on national recruitment, selection, training and retention programs and improving integration of Human Resources policy issues with other Bureau-wide policy developments. Its functions also include pay and position management, career development and labor-management relations. With the Bureau's tremendous manpower development needs in the coming decade, this division is particularly critical.

The Program Review Division is responsible for assessing and evaluating all Bureau operations and review activities. These activities include conducting reviews of Bureau programs and operations at agency headquarters, regional offices and field facilities as well as monitoring reviews of the same entities conducted by Bureau personnel outside the Program Review Division. This Division collects and integrates information and data generated during program reviews into an information system.

The Associate Commissioner for Federal Prison Industries, Inc. (FPI) reports directly to the Director and to the Federal Prison Industries Board of Directors. The Associate Commissioner is responsible for FPI Industrial Operations and Corporate Management and educational and leisure programs.

Accomplishments and Workload: Actual and estimated accomplishments for this program are presented in the following table:

			Estimates	
	1988	1989	1990	1991
Policy Statements Issued	32	29	62	64
Change Notices	30	42	78	81
Operations Memoranda	161	198	338	352
Public Affairs Reports and Requests	5,150	5,251	5,408	5,624
Congressional Inquiries	5,350	5,421	5,720	5,949
Tort Claims	2,400	2,415	2,496	2,596
FOIA/Privacy Act Cases	6,100	6,700	6,968	7,247
Administrative Remedy Cases	20,000	20,000	20,000	20,000
EEO Cases	95	95	95	95
Investigations of Alleged Violation of Standards of Professional Conduct	412	517	450	470

During 1989, the Office of Research enhanced the Key Indicators Strategic Support System, an integrated information system that is currently available to managers on micro-computers at 26 locations. The system assists managers in identifying significant trends regarding inmates, staff, financial management, and institutional operations. This system is intended to form the backbone of the Bureau's internal management and oversight structures in coming years, and will be integrally related to virtually every function in the agency. Featuring a uniquely blended system of stand-alone microcomputers using mainframe computer data, Key Indicators provides Bureau managers at all levels with critical comparative data on not only their own operations, but also emerging trends across all organizational levels. Having this information in hand at the earliest possible moment enable prompt, effective management intervention when necessary, including the redirection of resources to areas where imbalances are developing.

More than 40 research reports were written and distributed. The reports included projections of the Bureau's inmate population, HIV infection among inmates, sex offenders in Federal institutions, inmates, costly health care needs, private sector management of prisons, shock incarceration, serious prison infractions, substance abuse programs, food strikes in Federal facilities, sentenced non-citizens, uses of Key Indicators, a re-examination of crowding research, and social climate in Bureau institutions, among other topics.

Research staff also responded to more than 60 major requests for information or technical assistance from Bureau staff and outside agencies, each request requiring from eight to 160 hours of staff time to complete. Data generated on such topics as population projections, furloughs, non-citizens, UNICOR, and legal residence of inmates were considered by managers in formulating Bureau policy and/or programs.

The first meeting of the Research Issues Forum was held, at which experts from academia, corrections and business reviewed the Office's research agenda and discussed correctional issues.

The Prison Social Climate Survey (PSCS) was administered to a representative sample of staff across the Bureau to provide management with information about employee perceptions of their jobs, their places of work, and the Bureau as an organization.

Separate legal branches in the areas of commercial, correctional policy, and human resources were established, to meet the increased demand for legal guidance in these areas.

The Bureau of Prisons prevailed in various court decisions. For example, the Court of Appeals for the District of Columbia Circuit upheld the Bureau's designation process, enabling the Bureau to continue considering past affiliations with groups that participated in violent criminal activities. In a second case, the Supreme Court upheld the Bureau's regulation authorizing prison officials to reject incoming regulations found detrimental to prison security as reasonably related to legitimate penological grounds.

The FPS continues to lend assistance to many state correctional systems experiencing difficulty by housing their offenders. There are approximately 1,000 state offenders in FPS facilities. In addition to state prisoners, there are approximately 2,000 from the District of Columbia and approximately 180 territorial prisoners serving sentences in Federal Prisons. To assist the U.S. Marshals Service in housing unsentenced Federal prisoners due to their inability to renew or negotiate contracts with state and local jails because of overcrowding, the FPS has established or expanded jail units for pre-trial detainees at several institutions including the Memphis, Milan, Talladega, Englewood, Otisville, Phoenix and Pleasanton Federal Correctional Institutions and the Metropolitan Correctional Centers at Chicago, Miami, New York, San Diego, Tucson and Los Angeles. There are approximately 6,300 pre-sentenced detainees in FPS facilities. In addition, at the request of the Immigration and Naturalization Service, the FPS also is housing approximately 1,500 Cuban refugees.

To date, 35 institutions have been accredited by the American Correctional Association for three year terms. The re-accreditation process, resumed in 1987.

During 1989, the Bureau of Prisons developed the concept of Federal Correctional Centers (FCC). FCC's will be multifunctional facilities, operated by Bureau staff with possible contractor assistance. They will provide the following services:

Residential programs for pre-release inmates transferred from institutions.

A residential Community Corrections Component for short-term commitment and community confinement cases.

A base of operations for home confinement programs; Detention space for pretrial prisoners, short-term confinement, and community program failures.

A location for Correctional Management Center staff to perform functions now performed in Community Corrections offices.

A training resource for contract programs in the service area.

A component for intensive substance abuse treatment.

The Bureau will still use contract programs in smaller areas. FCC's will place the Bureau back in the operational mainstream of community corrections.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control..........................	409	412	$21,364	459	437	$22,735	50	25	$1,371

The request includes 50 positions, 25 workyears and $1,295,000 to expand this program. The more than 100 percent growth in the Federal inmate population since 1981, has required the FPS to expand virtually all programs and activities. The planning, development, coordination and evaluation of the expansion requires a modest increase in staff.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Services...........	327	320	$42,894	327	336	$44,535	387	367	$46,624	60	31	$2,089

Long Range Goal: Provide for effective personnel administration including equal employment opportunity; an efficient and responsive financial management system including procurement and property management; and systems support administration and oversight.

Major Objectives:

Increase the rate of hiring minorities and women to ensure their representation in the workforce.

Increase the number of minorities and women promoted to management and supervisory positions.

Review local labor contracts as they are negotiated assuring compliance with master agreement prior to approval.

Complete analysis of all Merit System Protection Board and arbitration decisions of the past 12 months to determine patterns and identify potential problems.

Provide current and accurate financial management information.

Place more emphasis on program manager involvement in the management of funds.

Conduct financial management reviews at all institutions.

Continue to enhance SENTRY applications.

Base Program Description: The central and five regional offices are responsible for the functions of personnel management; maintenance of equal employment opportunity; medical services; financial management, including procurement and property management; and ADP services, records management, mail, printing, reproduction, and space management.

Personnel administration is largely regulated by the government-wide merit system and requires considerable planning and coordination with both the Department of Justice and the Office of Personnel Management. Coordination is necessary with colleges, high schools, civic groups, public and private groups and organizations in order to recruit an efficient work force. Increased hiring of minorities and women is accomplished through recruitment campaigns, visits to colleges and universities and other similar programs. EEO specialists have been placed in each region in order to help carry out this program.

Training is provided to appropriate personnel in labor/management relations and arbitration. Provisions of newly negotiated Master Agreements and local supplemental agreements are communicated widely to increase employee involvement, particularly field employees, in the process. Merit System Protection Board and arbitration cases are reviewed and analyzed to provide more thorough insight into labor/management policy problems.

Financial Management provides for the design, development, and implementation of financial systems and the maintenance and continuous analysis, evaluation and modification of existing systems to ensure compliance with statutory and regulatory requirements and to meet the administrative needs of the FPS. Financial Management established property accounting, cost-based budgeting practices and suitable internal control procedures; and develops and provides financial reports on the fiscal status, financial results of operations, and the cost of the FPS's operations. Financial Management is also responsible for the development of the FPS's financial operating plans and the administration of funds appropriated to the FPS. Financial audits are conducted to ensure field compliance with policies and regulations. These audits are scheduled to accomplish a financial review of each field location every 18 months.

The Property Management and Procurement functions are also the responsibility of Financial Management. This includes procurement responsibility for all services and supplies; the administration of regulations for all procurement and personal property and administrative legal claims matters; and the review and interpretation of statutes and regulations of other government agencies relating to all phases of property management and procurement.

In addition, Financial Management is responsible for special inmate services (including commissary, inmate trust fund, and laundry). Commissary operations provide opportunities for inmates to purchase items above the necessities of life. Inmate trust fund operations account for all monies on deposit for each inmate. Laundry operations provide all inmates clean clothing, footwear and linens. Other inmate services include provisions for toiletries and writing supplies.

The FPS's batch inmate information system provides a variety of demographic information on the inmate population, but is of limited use because the information is not timely. For the past few years the FPS has been involved in the implementation of the SENTRY system, an on-line system which performs up-to-the minute locator status information on all individuals under the custody of the Attorney General. It provides population counts and refined inmate demographic statistics; interagency and intra-institution population movement, schedules, notices, and statistics; and it will automatically compute and update sentence computations. It will also provide base program data for other information modules under development or to be developed.

Accomplishments and Workload: Actual and estimated accomplishments for the Administrative Services program are presented in the following table:

			Estimates	
	1988	1989	1990	1991
Personnel Surveys	30	32	34	36
EEO Recruitment Activities	130	141	150	160
Representation of Women in the FPS Workforce year end	23%	26%	29%	31%
Representation of Minorities in the FPS Workforce year end	42%	44%	45%	46%
New Hires - Women	32%	35%	40%	42%
New Hires - Minorities	33%	35%	38%	40%
Promotion - Women	29%	31%	33%	35%
Promotion - Minorities	30%	33%	35%	37%
Arbitration Cases	80	80	80	80
Financial Management Reviews	32	36	40	48
SENTRY Average Daily Transactions (in thousands)	300	356	473	525

The Bureau activated six institutions, adding 2,100 beds to capacity.

The Inmate Financial Responsibility program is a systematic collection program for court-imposed fines, fees, and costs, which heretofore has remained unpaid in many instances. It resulted from close coordination between the Bureau, the Administrative Office of the U.S. Courts and the Department of Justice. In April 1988, the Bureau implemented this program systemwide. Under it, the Bureau encourages each sentenced inmate to satisfy his or her legitimate financial obligations and each inmate is provided the opportunity to develop a financial plan to satisfy those obligations. An inmate's participation in the program is reviewed each time unit staff assess an inmate's demonstrated level of responsible behavior (custody classification, furloughs, halfway house placement, etc.).

Currently 12,000 inmates are actively participating in the program; 23,247 have completed their financial obligations. An estimated $620 million is owed by inmates to the Government through court orders; to date, as a result of participation in this program, inmates have paid approximately $30 million toward satisfaction of those financial obligations.

In 1988, Memorex Telex was awarded a contract to replace the SENTRY equipment in all BOP facilities nationwide. Installation of the new hardware was completed during 1989, showing a growth to more than 4,000 terminals.

In addition, several enhancements were made to the SENTRY system during 1989. These include the implementation of a report of Inmates to support the victim/witness program, as well as a tracking program for sensitive medical date. Other accomplishments include a new automated intake screening process, and continued implementation of Comprehensive Crime Control Act (CCCA) enhancements.

The Bureau of Prisons is currently developing an on-line Integrated Financial Management System. The system will replace the current batch system and will include accounting, procurement, and the Trust Fund operations. A major pilot test of the new on-line Financial Management System is underway in parallel with the existing batch system. The test is expected to last two years.

The Bureau also negotiated a new master contract between BOP and AFGE. The Correctional Officer Register continues to be operated by BOP on delegation of authority from the Office of Personnel Management. Training was conducted for all field personnel offices in the recently developed workforce utilization program which utilizes the management of both workyears and positions.

An inmate telephone system pilot program was implemented at FCI, Butner, and the system was approved for further implementation at other locations. This system provides automated control over the telephone numbers inmates are permitted to call. Without staff assistance, inmates can call only a specified list of numbers which have been previously approved by staff, and this system will help prevent inmates from making unauthorized contacts. In addition, the system makes inmates financially responsible for long-distance telephone calls they make rather than placing this burden on family members and friends.

A video arraignment program was implemented, in conjunction with the United States District court in Denver, linking the Denver federal Court House and the Federal Correctional Institution, Englewood, Colorado. The intent of the project is to reduce inmate transportation and supervision for: arraignments, initial hearings and similar proceedings where all parties involved have agreed to this as the procedure of choice. The project will be evaluated over the next 12 months.

To further advance the Bureau's construction program, architectural design programs were developed in draft form for Federal Correctional Institutions, U.S. Penitentiaries, Federal Prison Camps, Metropolitan Detention Centers and administrative facilities. These programs are being developed to maintain consistency not only in the design of new institutions but also in the renovation of existing institutions. In addition, several new construction techniques were initiated which are expected to shorten the construction time for new institutions. These techniques include the use of pre-case concrete modular cells, the use of Computer-Assisted Drafting for the design of new facilities and the design and construction of Federal Correctional Complexes. In the case of the correctional complexes, several correctional facilities of different security levels (e.g., U.S. Penitentiaries, Federal Correctional Institutions, Federal Prison Camps) would be constructed at one site.

The Bureau's National Recruitment Office continued high-profile recruitment activity, including extensive placement of advertisements in a large number and variety of newspapers and magazines, targeting various population segments including minorities, professionals, and technicians. National Recruitment and Health Services jointly completed a strategic planning session to coordinate their efforts in attracting top medical service staff for Bureau institutions.

The Bureau of Prisons achieved significant progress in the area of pay enhancements that are critical to staff recruitment and retention, particularly in specialty occupations and high cost areas. Six additional Correctional Officer special salary rates were obtained for Bureau locations where recruitment and retention previously were hampered by higher local pay rates in the community. Over 1,200 Correctional Officers are now on special pay rates nationwide. Additional special salary rates for a battery of other occupations were obtained from OPM for hard to fill locations. Over 950 non-correctional officer employees are now under special pay rates nationwide.

The Bureau continued to operate its own applicant processing and hiring program for select occupations, including Correctional Officer. The Bureau now operates the largest examining process in the Federal government outside of the Office of Personnel Management (OPM). More than 20,000 applicants were processed in FY 1989.

Optical scan technology was developed for use in a revised Management Preference Profile system for the Bureau, as well as an executive track data base for Preference Profiles. The Career Development office also created a Managerial Skills Profile for use by agency managers allowing them to receive feedback from their supervisor concerning skills in ten major job dimensions. In addition to its use in providing managers with personal feedback, the process helps to identify the training needs of broad groups of agency managers.

During 1989, the Bureau established a strategy to centralize the review process for all program areas, starting with Health Services, Correctional Services and Community Corrections. In addition, a new system of review was established -- the Institution Character Profile -- resulting from an on-site visit to each institution by Regional Staff to assess the quality of life in each institution, and is intended to compliment the Prison Social Climate Survey conducted by questionnaire.

	1991 Base			1991 Estimate			Increase/Decrease		
Program Changes:	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Services....................................	327	336	$44,535	387	367	$46,624	60	31	$2,089

Included are 60 positions, 31 workyears and $1,701,000 to keep pace with administrative services associated with the dramatic growth in inmate population and the expansion of the Federal Prison System over the past several years. In particular, support for Financial Management, National Recruitment efforts, Staff Development, Inmate Systems Management and ADP programs will help the FPS accomplish its objectives more efficiently and effectively.

Federal Prison System

Salaries and Expenses

Justification of Multi-Activity Program Changes
(Dollars in thousands)

Estimates by Program:	Activation of New Facilities														
	Minersville FCI			Manchester FCI			Fairton Camp			Butner Camp			Big Spring Housing Unit		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate care, custody and programs:															
Inmate care.............	31	11	$3,194	31	11	$2,773	6	6	$885	6	6	$787	9	3	$787
Institution security....	106	35	1,754	106	35	1,660	9	9	399	9	9	379	14	5	277
Unit management.........	28	9	1,400	28	9	1,231	5	5	356	5	5	325	7	2	309
Inmate programs.........	25	9	738	25	9	675	3	3	205	3	3	193	5	1	151
Subtotal..............	190	64	7,086	190	64	6,339	23	23	1,845	23	23	1,684	35	11	1,524
Institution administration and maintenance:															
Institution administration........	41	14	2,966	41	14	2,901	6	6	576	6	6	563	8	3	547
Staff training..........	1	...	175	1	...	150	...	...	19	...	...	16	...	...	21
Institution maintenance.	22	7	1,877	22	7	1,634	1	1	467	1	1	402	2	1	368
Subtotal..............	64	21	5,018	64	21	4,685	7	7	1,062	7	7	981	10	4	936
Contract confinement......	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Program direction:															
Executive direction and control...........	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Administrative services.	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Subtotal..............	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total.....................	254	85	12,104	254	85	11,024	30	30	2,907	30	30	2,665	45	15	2,460

Justification of Multi-Activity Program Changes (Con't)

(Dollars in thousands)

	Activation of New Facilities														
	Otisville Satellite Camp			Tallahassee Satellite Camp			Tyndall Housing & Support Facilities			Loretto Housing Unit Expansion			Danbury Satellite Camp Expansion		
Estimates by Program:	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate care, custody and programs:															
Inmate care.............	6	3	$650	6	3	$564	9	3	$847	3	2	$419	6	3	$650
Institution security....	9	3	209	9	3	191	14	5	290	5	2	129	9	3	209
Unit management.........	5	2	249	5	2	218	7	2	329	3	1	166	5	2	249
Inmate programs.........	3	...	112	3	...	101	5	1	161	2	...	70	3	...	112
Subtotal...............	23	8	1,220	23	8	1,074	35	11	1,627	13	5	784	23	8	1,220
Institution administration and maintenance:															
Institution administration........	6	2	396	6	2	385	8	3	554	1	...	184	6	2	396
Staff training..........	...	...	19	...	...	16	...	...	25	...	...	11	...	...	19
Institution maintenance.	1	...	305	1	...	260	2	1	398	1	...	208	1	...	305
Subtotal...............	7	2	720	7	2	661	10	4	977	2	...	403	7	2	720
Contract confinement......	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Program direction:															
Executive direction and control...........	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Administrative services.	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Subtotal...............	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total....................	30	10	1,940	30	10	1,735	45	15	2,604	15	5	1,187	30	10	1,940

Justification of Multi-Activity Program Changes (Con't)

(Dollars in thousands)

Estimates by Program:	Activation of New Facilities												Population Increase	Contract Confinement
	Tallahassee Detention Unit			Fort Worth Detention Unit			Milan Detention Unit			Atlanta Detention Unit				
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Amount	Amount
Inmate care, custody and programs:														
Inmate care.............	6	6	$799	6	6	$719	6	3	$597	6	3	$575	$12,796	...
Institution security....	9	9	405	9	9	385	9	3	218	9	3	214	1,223	...
Unit management.........	5	5	363	5	5	334	5	2	265	5	2	256	1,284	...
Inmate programs.........	3	3	209	3	3	197	3	...	119	3	...	116	1,672	...
Subtotal..............	23	23	1,776	23	23	1,635	23	8	1,199	23	8	1,161	16,975	...
Institution administration and maintenance:														
Institution administration........	6	6	456	6	6	444	6	2	402	6	2	399	622	...
Staff training..........	...	...	21	...	...	18	...	...	21	...	...	21	...	...
Institution maintenance.	1	1	449	1	1	391	1	...	315	1	...	304	7,865	...
Subtotal..............	7	7	926	7	7	853	7	2	738	7	2	724	8,487	...
Contract confinement......	...	...	...	...	...	...	...	...	...	...	...	...	...	$1,000
Program direction:														
Executive direction and control...........	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Administrative services.	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Subtotal..............	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total.....................	30	30	2,702	30	30	2,488	30	10	1,937	30	10	1,885	25,462	1,000

Justification of Multi-Activity Program Changes (Con't)

(Dollars in thousands)

Estimates by Program:	Additional Positions to Address Overcrowding			FPS to Dept. FMIS	Subtotal Program Increases			Program Decrease A-76 Savings			Total Changes		
	Perm. Pos.	WY	Amount	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inmate care, custody and programs:													
Inmate care.............	808	403	$22,172	...	945	472	$49,214	(12)	(12)	(64)	933	460	49,150
Institution security....	1,466	732	23,670	...	1,792	865	31,612	(37)	(37)	(199)	1,755	828	31,413
Unit management.........	406	203	12,580	...	524	256	19,914	(12)	(12)	(64)	512	244	19,850
Inmate programs.........	256	127	5,250	...	345	159	10,081	(5)	(5)	(21)	340	154	10,060
Subtotal..............	2,936	1,465	63,672	...	3,606	1,752	110,821	(66)	(66)	(348)	3,540	1,686	110,473
Institution, administration and maintenance:													
Institution administration........	468	235	12,908	...	621	303	24,699	(9)	(9)	(50)	612	294	24,649
Staff training..........	184	92	4,695	...	186	92	5,247	(2)	(2)	(13)	184	90	5,234
Institution maintenance.	266	133	6,171	...	324	153	21,719	(6)	(6)	(33)	318	147	21,686
Subtotal..............	918	460	23,774	...	1,131	548	51,665	(17)	(17)	(96)	1,114	531	51,569
Contract confinement......	36	19	1,051	...	36	19	2,051	(2)	(2)	(13)	34	17	2,038
Program direction:													
Executive direction and control...........	50	25	1,371	...	50	25	1,371	...	...	...	50	25	1,371
Administrative services.	60	31	1,701	388	60	31	2,089	...	...	...	60	31	2,089
Subtotal..............	110	56	3,072	388	110	56	3,460	...	...	...	110	56	3,460
Total....................	4,000	2,000	91,569	388	4,883	2,375	167,997	(85)	(85)	(457)	4,798	2,290	167,540

Financial Analysis - Program Changes, Cont'd

	Item	Institution Maintenance		Contract Confinement		Executive Dir. and Control		Administrative Services		Total	
	Grades	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
	GM-15	0	0	0	0	0	0	0	0	106	$6,277
	GM-14	0	0	0	0	16	$805	20	$1,007	151	7,601
	GS-13	0	0	0	0	18	767	20	852	103	4,388
	GS-12	2	$72	18	$645	16	573	20	716	434	15,546
	GS-11	2	60	16	478	0	0	0	0	966	28,874
	GS-10	0	0	0	0	0	0	0	0	2	54
	GS-09	0	0	0	0	0	0	0	0	423	10,450
	GS-08	0	0	0	0	0	0	0	0	413	9,237
	GS-07	0	0	0	0	0	0	0	0	742	14,984
	GS-06	0	0	0	0	0	0	0	0	784	14,248
	GS-05	0	0	0	0	0	0	0	0	31	506
	Ungraded	314	10,362	0	0	0	0	0	0	643	21,219
	Total Positions and annual Rate	318	10,494	34	1,123	50	2,145	60	2,575	4,790	133,384
	Lapse (-)	(171)	(5,565)	(17)	(560)	(25)	(1,100)	(29)	(1,338)	(2,500)	(69,453)
11.1	Workyears and Compensation	147	4,929	17	563	25	1,045	31	1,237	2,290	63,931
11.5	Other personnel compensation	2	147		17		31		38	136	6,223
	Total Workyears and compensation	149	5,076	17	580	25	1,076	31	1,275	2,426	70,154
12.0	Personnel benefits		1,046		119		219		260		21,359
21.0	Travel and trans of persons		27		15		3		8		3,390
22.0	Transportation of things		8		5		1		2		2,643
23.1	Standard level user charges		5		3		1		1		39
23.2	Rental payments to others		4		2		0		1		26
23.3	Comm, utilities and misc		7,203		48		11		23		7,850
24.0	Printing and reproduction		1		1		0		0		8
25.0	Other services		676		1,126		28		450		18,378
26.0	Supplies and materials		3,153		99		23		49		16,168
31.0	Equipment		4,485		39		9		19		27,344
41.0	Grants, subsidies, and contr		2		1		0		1		100
42.0	Insurance claims and indemn		0		0		0		0		1
	Total Workyears and Oblig, 1991.	149	21,686	17	2,038	25	1,371	31	2,089	2,426	167,540

Federal [illegible] System

Salaries and Expenses

Financial Analysis - Program Changes
(Dollars in thousands)

	Item	Inmate Care		Institution Security		Unit Management		Inmate Programs		Institution Administration		Staff Training	
	Grades	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
	GM-15	62	$3,671	0	0	0	0	0	0	44	$2,606	0	0
	GM-14	80	4,027	0	0	0	0	0	0	35	1,762	0	0
	GS-13	22	937	1	$43	0	0	37	$1,576	5	213	0	0
	GS-12	179	6,412	2	72	78	$2,794	59	2,113	60	2,149	0	0
	GS-11	337	10,073	68	2,033	190	5,679	106	3,160	131	3,916	116	$3,467
	GS-10	2	54	0	0	0	0	0	0	0	0	0	0
	GS-09	24	593	37	914	130	3,409	65	1,606	119	2,940	40	988
	GS-08	17	300	396	8,057	0	0	0	0	0	0	0	0
	GS-07	7	141	526	10,623	37	747	21	424	123	2,484	20	565
	GS-06	2	36	720	13,085	12	218	10	182	40	727	0	0
	GS-05	5	82	5	82	11	179	0	0	10	163	0	0
	Ungraded	196	6,460	0	0	46	1,518	42	1,306	45	1,485	0	0
	Total Positions and annual Rate	933	32,874	1,755	35,709	512	14,544	340	10,455	612	18,445	184	5,020
	Lapse (-)	(473)	(16,196)	(927)	(18,391)	(268)	(7,715)	(186)	(5,335)	(318)	(10,918)	(94)	(2,335)
11.1	Workyears and Compensation	460	16,678	828	17,318	244	6,029	154	5,120	294	7,527	90	2,685
11.5	Other personnel compensation	20	2,291	85	2,871	10	276	7	215	10	284	2	53
	Total Workyears and compensation	480	18,969	913	20,189	254	7,105	161	5,335	304	7,811	92	2,738
12.0	Personnel benefits		4,528		5,716		1,239		1,092		6,737		403
21.0	Travel and trans of persons		81		241		178		11		1,269		1,557
22.0	Transportation of things		51		14		8		5		2,548		1
23.1	Standard level user charges		8		10		3		2		5		1
23.2	Rental payments to others		6		6		3		1		3		0
23.3	Comm, utilities and misc		193		145		55		86		78		8
24.0	Printing and reproduction		2		2		1		0		1		0
25.0	Other services		4,065		1,030		5,513		1,001		3,284		325
26.0	Supplies and materials		9,291		782		255		752		1,710		54
31.0	Equipment		11,153		3,274		5,324		1,633		1,201		147
41.0	Grants, subsidies, and contr		3		3		166		2		2		0
42.0	Insurance claims and indemn				1		0		0		0		0
	Total Workyears and Oblig, 1991.	480	49,150	913	31,413	254	19,850	161	10,060	304	24,649	92	5,234

Federal Prison System
Priority Rankings 1/

Base Program		Program Increases	
Program	Ranking	Program	Ranking
Institution Security	1	Institution Security	1
Inmate Care	2	Inmate Care	2
Institution Administration	3	Unit Management	3
Institution Maintenance	4	Inmate Programs	4
Contract Confinement	5	Staff Training	5
Unit Management	6	Institution Maintenance	6
Inmate Programs	7	Contract Confinement	7
Modernization and Repair of Existing Facilities	8	Modernization and Repair of Existing Facilities	8
Staff Training	9	New Construction	9
New Construction	10	Federal Prison Industries, Inc.	10
Federal Prison Industries, Inc.	11	Commissary	11
Commissary	12	Executive Direction	12
Administrative Services	13	Institution Administration	13
Executive Direction	14		
National Institute of Corrections	15		

1/ All programs are ranked including Salaries and expenses programs, Buildings and Facilities programs, the National Institute of Corrections, Federal Prison Industries and the Commissary.

Federal Prison System
Salaries and Expenses
Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Enacted	1991 Program Increases	1991 Program Decreases	1991 Total
Attorneys (905)	10	10	...	...	10
Paralegal Specialist (950)	80	86	13	- 1	98
Other Legal and Kindred (900-998)	416	515	190	- 3	702
Correctional Institution Administration (006)	715	803	260	- 4	1,059
Corrections Officers (007)	7,297	8,229	2,062	-40	10,251
Other Misc. Occupations (001-099)	213	245	54	- 1	298
Soc. Science, Econ. and Kindred (100-199)	959	1,092	270	- 5	1,357
Personnel Management (200-299)	306	328	245	- 2	571
General Admin Clerical and Office Services (300-399)	896	988	80	- 4	1,064
Biological Science (400-499)	1	1	...	...	1
Accounting and Budget (500-599)	460	518	105	- 2	621
Medical, Dental & Public Health (600-799)	1,194	1,320	622	- 7	1,935
Engineering and Architecture Group (800-899)	22	22	...	...	22
Information and Arts Group (1000-1099)	2	2	...	...	2
Business and Industry Group (1100-1199)	103	114	41	- 1	154
Mathematics and Statistics Group (1500-1599)	1	1	...	...	1
Equipment, Facilities and Service Group (1600-1699)	300	350	73	- 2	421
Education Group (1410-1411; 1700-1799)	434	695	187	- 3	879
Supply Group (2000-2099)	73	78	20	...	98
Ungraded (culinary, farm, mechanical & construction)	1,758	2,074	661	-10	2,725
Total	15,240	17,471	4,883	-85	22,269
Washington	404	443	110	...	553
U.S. Field	14,836	17,028	4,773	-85	21,716
Total	15,240	17,471	4,883	-85	22,269

Federal Prison System
Salaries and expenses
Schedule of Motor Vehicles

Method of Acquisition and Type of Vehicle	1988 End-of-Year Inventory	1989			1990			1991			
		Acquired	Disposed	End-of-Year	Acquired	Disposed	End-of-Year	Acquired	Average Cost	Disposed	End-of-Year
Direct Purchase:											
Limousine	...	...	...	...	...	...	...	...	...	...	...
Large sedan	23	12	6	29	14	4	39	25	$16,500	4	60
Midsize sedan	57	4	4	57	21	8	70	45	15,400	12	103
Compact sedan	9	...	...	9	...	...	9	...	...	1	8
Subcompact sedan	...	...	...	...	...	...	...	...	...	...	...
Small sedan	...	...	...	...	...	...	...	...	...	...	...
Station wagon	80	16	12	84	14	2	96	35	16,000	6	125
Van	53	19	7	65	12	4	73	42	18,000	5	110
Ambulance	6	...	...	6	2	...	8	3	25,000	...	11
Bus	38	5	...	43	4	...	47	8	220,000	...	55
Special purpose:											
4 wheel drive	119	12	7	124	24	6	142	32	17,000	12	162
Other	...	...	...	...	...	...	...	...	...	...	...
Trucks:											
Pickup	527	85	67	545	58	30	573	115	12,000	45	643
Other	126	6	6	126	10	1	135	25	25,000	5	155
Subtotal purchased	1,038	159	109	1,088	159	55	1,192	330	20,622	90	1,432
Leased:											
Large sedan	5	10	...	15	5	...	20	10	...	...	30
Midsize sedan	5	10	...	15	5	...	20	20	...	...	40
Other	7	...	...	7	...	...	7	20	...	...	27
Subtotal leased	17	20	...	37	10	...	47	50	...	...	97
No Cost Vehicles	26	...	...	26	...	...	26	30	...	6	50
Total Vehicles	1,081	179	109	1,151	169	55	1,265	410	20,622	96	1,579

Federal Prison System

Salaries and Expenses

Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990	$17,471	15,892	$1,097,631
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding	...	...	54,923
1990 as enacted	17,471	15,892	1,152,554
1990 Sequestration	...	...	13,849
1990 appropriation anticipated	17,471	15,892	1,138,705
Adjustments to base:			
Mandatory Increases:			
Annualization of 1990 pay supplement 1/	...	...	22,975
Annualization of 1990 program increases	...	1,033	45,581
Additional compensable day	...	...	2,431
1991 pay increase	...	...	9,408
Senior Executive Service increase	...	...	250
Special salary rates	...	...	3,998
Health benefits	...	...	3,956
Federal Employee Retirement System (FERS)	...	...	5,204
Federal Employees Compensation Act (FECA)	...	...	928
GPO printing costs	...	...	22
Employee data and payroll	...	...	131
Total, mandatory increases	...	1,003	94,884
Decreases:			
Nonrecurring costs	...	...	-26,728
GSA rent	...	...	-199
Federal Telecommunications System (FTS)	...	...	-2,320
Total, decreases	...	...	-29,247
1991 Base	17,471	16,925	1,204,342
Program Changes:			
Activation of new facilities	883	375	49,578
Population increase	...	...	25,462
Expand contract confinement	...	...	1,000
Staff for overcrowding	4,000	2,000	91,569
FPS migration to Department FMIS	...	...	388
A-76 savings	-85	-85	-457
Total, program changes 1/	4,798	2,290	167,540
1991 Estimate	22,269	19,215	1,371,882

1/ The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

Federal Prison System

Salaries and Expenses

Justification of Adjustments to Base
(Dollars in thousands)

	Work-years	Amount
Mandatory Increases:		
1. 1990 full-year pay increase impact on 1991	...	$22,975

This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $22,975 is the amount required for full-year funding in 1991. NOTE: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

	Work-years	Amount
2. Annualization of 1990 Increases	1,033	45,581

This provides for the annualization of 2,231 positions approved in 1990 for the activation of new facilities and additional positions at existing facilities.

	1990 Increase	Annualization Required
Annual salary rate of the 2,231 positions	$50,988	
Less lapse	-19,807	$19,807
Net compensation	31,181	
Associated employee benefits	8,443	7,073
Other object classes	95,444	18,701
Total cost subject to annualization	135,068	45,581

	Work-years	Amount
3. Additional Compensable Day	...	2,431

The annual salary rate for Federal employees is based on 260 paid days. During 1991 there is one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.

	Work-years	Amount
4. 1991 Pay Increase	...	9,408

For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This request provides for the 50 percent of the proposed 3.5 percent pay increase effective in January of 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $9,408, is the cost of the pay increase for approximately three-quarters of the year assuming a 50-percent absorption.

	Work-years	Amount
5. Senior Executive Service Pay Increase	...	250

This request represents the 1991 costs of the pay increase for senior executive service employees. This pay increase is to be effective in January of 1990, but will be absorbed completely for the first year. In 1991, an increase of $250,000 is necessary for this requirement. Funding for the executive level employees pay raise is completely absorbed in both years.

Justification of Adjustments to Base (Con't)

	Work-years	Amount
6. Special Salary Rates This request provides increases as authorized by law in 5 U.S.C. 5303. The Office of Personnel Management (OPM) has approved these rates for positions where retention and recruitment of qualified applicants is a problem. The Department's request represents coverage of 33 authorized special rates.	...	$3,998
7. Health benefits The Federal Employees Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1990, the actual contribution to health insurance increased 31 percent. The requested increase of $3,956,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.	...	3,956
8. Federal Employees Retirement System (FERS) This request provides for the additional costs in 1991 necessary to continue the implementation of the Federal Employees Retirement System Act of 1986, P.L. 99-335. The Act established a retirement program for Federal civilian employees and Postal workers hired after December 31, 1983, who are covered by social security and for employees under the Civil Service Retirement System who chose to transfer to the new system. The increased requirement for 1991 is based on actual agency payments for the basic FERS annuity, Social Security and thrift savings.	...	5,204
9. Federal Employees' Compensation Act (FECA) - Workers' Compensation This increase reflects the billing provided by the Department of Labor for the actual costs in 1989 of employees' accident compensation. The 1991 amount will be $8,802,000 or $928,000 over the 1989 base.	...	928
10. Government Printing Office (GPO) printing costs The GPO is currently projecting a seven percent increase over the 1990 printing costs of $501,000. An additional $22,000 will be required in 1991.	...	22
11. Employee data and payroll services Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems, maintenance and payroll accounting, are based on the number of employee records maintained. The rate of $188.23 per record in 1990 will be raised to $199.52 per record for 1991. The change is based on anticipated mandatory cost increases of 6 percent for the operation of the Justice Employee Data Service. An increase of $131,000 will be required in 1991.	...	131
Total mandatory increases	1,033	94,884

Justification of Adjustments to Base (Con't)

Decreases (Automatic non-policy):	Work-years	Amount
1. Non-recurring costs.......... This provides for a reduction of the one-time costs (Change of Duty Station, inventory and equipment) of activating the new facilities approved in 1990.	...	-$26,728
2. GSA Rent.......... GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. A decrease of $199,000 will still allow us to meet our commitment to GSA.	...	-199
3. Federal Telecommunications System (FTS).......... In 1991, the General Services Administration (GSA) is to have the FTS 2000 system fully implemented. At present, GSA projections indicate costs for current FTS minute usage charges will decrease from 34 cents per minute to 18 cents per minute. The requested reduction of $2,320 from a 1990 base of $7,356, reflects this decrease.	...	-2,320
Total decreases..........	...	-29,267
Total, adjustments to base..........	1,033	65,637

Federal Prison System
Salaries and Expenses
Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	1989 Actuals Positions & Workyears	1989 Actuals Amount	1990 Estimate Positions & Workyears	1990 Estimate Amount	1991 Estimate Positions & Workyears	1991 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
ES-6 $83,600	1		1		1		...	
ES-4 $79,200	13		13		13		...	
ES-3 $77,600	3		3		3		...	
ES-2 $74,384	6		6		6		...	
ES-1 $71,173	1		1		1		...	
GS/GM-15 $59,216-76,982	139		142		248		106	
GS/GM-14 $50,342-65,444	194		206		357		151	
GS/GM-13 $42,601-55,381	296		303		406		103	
GS-12 $35,825-46,571	944		973		1,407		434	
GS-11 $29,891-38,855	2,199		2,334		3,300		966	
GS-10 $27,206-35,369	91		92		94		2	
GS-09 $24,705-32,121	1,745		2,004		2,427		423	
GS-08 $22,367-29,081	1,785		2,311		2,724		413	
GS-07 $20,195-26,252	4,943		5,617		6,354		724	
GS-06 $18,174-23,628	838		1,159		1,943		784	
GS-05 $16,305-21,201	442		458		489		31	
GS-04 $14,573-18,947	24		24		24		...	
GS-03 $12,982-16,879	15		15		15		...	
Ungraded positions	1,561		1,809		2,452		643	
1991 Pay Increase	...	...	...	...	...	$7,728	...	$7,728
Total Appropriated positions	15,240	$430,485	17,471	$512,075	22,269	$628,946	4,798	$116,871
Pay above stated annual rates	...	...	...	...	...	1,914	...	1,914
Lapses	-2,529	-88,479	-1,705	-50,765	-3,180	-53,635	-1,475	-2,870
Savings due to lower pay scales part of year	...	-4,279	...	-4,600	...	...	...	4,600
Net full-time permanent	12,711	337,727	15,766	456,710	19,089	577,225	3,323	120,515
Other than permanent	126	7,645	126	2,147	126	2,273	...	126
Other personnel compensation	879	38,955	666	34,851	802	42,232	136	7,381
Special personnel services payments	...	...	...	8,744	...	8,744	...	...
Total, workyears and personnel compensation	13,716	384,327	16,558	502,452	20,017	630,474	3,459	128,022
Average ES Salary		($74,914)		($77,618)		($80,412)		
Average GS/GM Salary		($27,347)		($28,963)		($28,540)		
Average GS/GM Grade		(8.6)		(8.6)		(8.6)		
Average Ungraded Salary		($33,184)		($34,079)		($33,000)		

Summary of Requirements by Grade and Object Class (Con't)

(Dollars in thousands)

Object Class	1989 Actuals		1990 Estimate		1991 Estimate		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11 Personnel compensation:								
11.1 Full-time permanent	12,711	$337,727	15,766	$456,710	19,089	$577,225	3,323	$120,515
11.3 Other than full-time permanent:								
Temporary Employment	74	4,511	74	1,267	74	1,341	...	74
Other part-time and intermittent employment	52	3,134	52	880	52	932	...	52
11.5 Other personnel compensation:								
Overtime	628	30,774	473	27,532	569	33,363	96	5,831
Other compensation	251	8,181	193	7,319	233	8,869	40	1,550
11.8 Special personnel compensation	...	...	...	8,744	...	8,744	...	...
Total	13,716	384,327	16,558	502,452	20,017	630,474	3,459	128,022
12 Personnel benefits		112,860		147,583		193,724		46,141
13 Benefits for former personnel		422		403		403		...
21 Travel and transportation of persons		14,505		21,519		24,610		3,091
22 Transportation of things		7,357		6,185		8,367		2,182
23.1 GSA rent		3,828		4,210		4,050		-160
23.2 Rental payments to others		533		2,892		2,918		26
23.3 Communications, utilities and misc. charges		48,076		67,597		75,518		7,921
24 Printing and reproduction		2,696		831		861		30
25 Other services		167,223		176,161		198,197		22,036
26 Supplies and materials		137,191		141,248		152,805		11,557
31 Equipment		56,075		54,978		65,334		10,356
41 Grants, subsidies, and contributions		1,038		1,602		1,793		191
42 Insurance claims and indemnities		267		114		115		1
43 Interest and dividends		9		...		...		...
Total direct obligations		936,407		1,127,775		1,359,169		231,394

Summary of Requirements by Grade and Object Class (Con't)
(Dollars in thousands)

Object Class	1989 Actuals Positions & Workyears	1989 Actuals Amount	1990 Estimate Positions & Workyears	1990 Estimate Amount	1991 Estimate Positions & Workyears	1991 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
ALLOCATION TO DEPARTMENT OF HEALTH AND HUMAN SERVICES								
11.1 Personnel compensation:								
Military		$8,087		$8,400		$8,652		$252
Total workyears and personnel compensation		8,087		8,400		8,652		252
Other objects:								
12.1 Personnel benefits: Military		3,240		3,360		3,461		101
21 Travel and transportation of persons		98		100		100		...
22 Transportation of things		167		200		200		...
25 Other services		279		300		300		...
Total direct obligations, HHS Allocation		11,871		12,360		12,713		353
Total obligations Salaries and Expenses	13,716	948,278	16,558	1,140,135	20,017	1,371,882	3,459	231,747
Unobligated balance, start-of-year		-2,771		-1,430		...		1,430
Unobligated balance, end-of-year		1,430		...		...		...
Unobligated balance, lapsing		5,489		...		...		...
Total requirements		952,426		1,138,705		1,371,882		233,177
Relation of obligations to outlays:								
Total obligations		948,278		1,139,957		1,371,882		
Obligated balance, start-of-year		93,272		164,015		93,721		
Obligated balance, end-of-year		-164,015		-93,721		-98,598		
Adjustments in expired accounts		-3,361		...		...		
Outlays		874,174		1,210,251		1,367,005		

Federal Prison system

Salaries and Expenses

Consulting and Related Services
(Dollars in thousands)

	1989 Actual	1990 Estimate	1991 Estimate
Consulting Services	42	16	...
Management and Professional Services	...	...	...
Special Studies and Analysis	42	16	...

Consulting services are used in the Federal Prison System only for services which cannot be performed in-house. There are no plans to use consulting services in 1991.

Department of Justice

Federal Prison System

National Institute of Corrections

Estimates for Fiscal Year 1991

Table of Contents

PAGE NUMBER

Summary Statement.......... 1

Justification of Proposed Changes in Appropriation Language.......... 2

Crosswalk of 1990 Changes.......... 3

Summary of Requirements.......... 4

Justification of Program and Performance.......... 5

Detail of Permanent Positions by Category.......... 7

Summary of Change.......... 8

Justification of Adjustments-to-Base.......... 9

Summary of Requirements by Grade and Object Class.......... 12

Consulting and Related Services.......... 14

Federal Prison System

National Institute of Corrections

Summary Statement

Fiscal Year 1991

For 1991, the National Institute of Corrections (NIC) is requesting a total of 53 positions, 53 workyears and $10,007,000. This resource level represents an increase of four positions, four workyears and $34,000 over the 1990 appropriation enacted.

The mission of the NIC is to work with State and local governments to assist them in developing and training their corrections staff, to conduct and support research regarding ways to improve correctional programs and to serve as a clearinghouse for information on improvements in corrections. Given that the nation's prisons and jails are critically overcrowded, the functions which NIC perform become even more crucial.

Recognizing the problem with which the Federal criminal justice system is presently confronted, the Administration has set forth as a priority to increase prison space to house the growing number of Federal offenders. In direct support of this priority, NIC, through its training and technical assistance activities, lessens the likelihood that State and local prison populations will "spill over" into the Federal Prison System.

Without NIC's continuing assistance and leadership in providing relevant training and responsive intervention, the deficiencies that plague State and local correctional agencies (i.e., insufficient training of staff) will be exacerbated during a period when prisons and jails are experiencing unprecedented growth, crowding and diminishing resources with no relief in sight for the foreseeable future.

The services performed by NIC are extensive but have a comparatively low cost to the Federal Government. In fact, a large part of the resources made available to NIC are used for the delivery of services to the corrections community. This is possible because NIC has implemented several cost saving initiatives. For example, NIC contracts with a private vendor to operate its clearinghouse function and perform certain accounting activities; enters into agreements with State and local governments through the Intergovernmental Personnel Act (IPA); and uses consultants to deliver technical assistance and provide training. The use of the IPA and consultants provides NIC flexibility to expand or decrease its staff as program requirements dictate, without the attendant long-term fiscal commitment.

Federal Prison System

National Institute of Corrections

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

National Institute of Corrections

For carrying out the provisions of sections 4351-4353 of title 18, United States Code, which established a National Institute of Corrections, [$10,112,000] ,to remain available until expended. $10,007,000

(18 U.S.C. 4351-4353; Department of Justice Appropriations Act, 1990; additional authorizing legislation to be proposed.)

Explanation of Changes

No substantive changes proposed.

Federal Prison System

National Institute of Corrections

Crosswalk of 1990 Changes
(Dollars in thousands)

	1990 President's Budget Request			1990 Sequestration			Approved Reprogrammings			1990 Appropriation Anticipated		
Activity/Program	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
National Institute of Corrections	49	49	$10,112	...	..	-139	...	..	...	49	49	$9,973

1990 Sequestration: A total of $139,000 was sequestered pursuant to the omnibus Budget Reconciliation Act of 1989.

Federal Prison System

National Institute of Corrections

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1990 as enacted	49	49	$10,112
1990 Sequestration	...	...	-139
1990 Appropriation anticipated	49	49	9,973
Mandatory increases	4	4	281
Nonrecurring decreases	...	...	-8
1991 base	53	53	10,246

Estimates by budget activity	1989 as Enacted			1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
National Institute of Corrections	41	41	$9,580	41	44	$8,058	49	49	$9,973	53	53	$10,246	53	53	$10,007	...	..	-239
EOY Employment:	Appro.	Reimb.	Total	Appro.	Reimb.	Total	Appro.	Reimb.	Total	Appro.	Reimb.	Total	Appro.	Reimb.	Total	Appro.	Reimb.	Total
Full-time permanent	41	...	41	41	...	41	49	...	49	53	...	53	53	...	53	...	...	...
Other than permanent	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total	41	...	41	41	...	41	49	...	49	53	...	53	53	...	53	...	...	...

Federal Prison System

Justification of Program and Performance

National Institute of Corrections

Activity:	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
National Institute of Corrections	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount	Pos	WY	Amount
	49	49	$10,112	53	53	$10,246	53	53	$10,007	...	..	-239

Long Range Goal: Provide leadership in moving corrections toward greater professionalism; develop national policies from the guidance and coordination of Federal agencies and initiatives affecting corrections; serve as a national center to which State and local correctional agencies can turn to receive many different types of assistance; and serve as a source of correctional programs, policies, planning standards, and practices.

Major Objectives:

To assist in the improvement of State and local jail operations nationwide so they may become more humane, fair, efficient, effective, and comply with legal requirements.

To strengthen correctional programs by effective and efficient utilization of staff and organizational resources.

To increase the effectiveness of correctional programs by expanding the use of alternatives to incarceration and promoting a safe, humane, and constitutional environment for those offenders who must be incarcerated.

To develop the capacity to respond quickly, accurately, and informatively to a wide variety of inquiries on correctional programs, policies, standards, and practices.

To provide training to the correctional community to upgrade skills of personnel.

Base Program Description: In an effort to increase coordination, reduce duplication, and upgrade State and local corrections, the National Institute of Corrections has initiated several activities, including developing memoranda of understanding between Federal agencies, placing representatives of several Federal agencies on the NIC Advisory Board, and conducting frequent meetings with representatives from the entire spectrum of correctional practices. An annual plan is approved by the Advisory Board, after which the NIC staff develops a program strategy utilizing training, technical assistance and clearinghouse, policy/program development and evaluation to accomplish the objectives in the plan.

Accomplishments and Workload: Accomplishments of the National Institute of Corrections program are presented in the following table:

Item	1988	1989	1990	1991 Base Level	1991 Change	1991 Request Level
Application papers processed....................	350	350	350	350	...	350
Grants and contracts awarded....................	58	55	55	55	...	55
Technical assistance provided..................	640	728	728	728	...	728
Training participants..........................	1,829	1,758	2,658	2,658	...	2,658
Training requests..............................	12,000	12,000	12,000	12,000	...	12,000
Information requests processed.................	10,000	14,931	15,000	15,000	...	15,000

During 1989, the National Institute of Corrections awarded 55 grants and contracts to State and local correctional agencies, organizations and individuals to carry out its mission. The Institute responded to 728 requests for technical assistance from State and local agencies in all 50 states, and the District of Columbia. Training was provided to 1,758 managers, administrators, and staff trainers working in corrections. The provision of training to 1,758 participants includes the participation of over 1,000 staff trainers from State and local agencies in NIC-sponsored programs at their agency site. These trainers subsequently provided similar training for nearly 22,500 correctional staff in their agencies. The NIC Information Center responded to over 14,000 information requests from Federal, State and local practitioners, due to more widespread marketing of the Information Center Services.

Program Changes:	1991 Base Pos	1991 Base WY	1991 Base Amount	1991 Request Pos	1991 Request WY	1991 Request Amount	Increase/Decrease Pos	Increase/Decrease WY	Increase/Decrease Amount
National Institute of Corrections	53	53	$10,246	53	53	$10,007	...	..	-239

A decrease of $239,000 is requested in order to meet the Administration's deficit reduction goal.

Federal Prison System

National Institute of Corrections

Detail of Permanent Positions by Category

Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1991	
			Adj. to Base	Total
Correctional Institution Admin. (006).....	17	22	4	26
General Administration, Clerical and Office Services (300-399)...............	18	19	...	19
Accounting and Budget (500-599)...........	4	6	...	6
Information and Arts Group (1000-1099)....	1	1	...	1
Attorneys (905)...........................	1	1	...	1
Total...............................	41	49	4	53
Washington................................	22	28	...	28
U.S. Field................................	19	21	4	25
Total...............................	41	49	4	53

Federal Prison System

National Institute of Corrections

Summary of Change
(Dollars in thousands)

	Perm. Pos	Work-Years	Amount
1990 as enacted	49	49	$10,112
1990 Sequestration	...	...	-139
1990 Appropriation anticipated	49	49	9,973
Mandatory increases:			
Adjustment to permanent postions and workyears	4	4	...
1990 Full-year pay increase impact on 1991[1]	...	...	81
1991 pay raise	...	...	33
Within-grade increases	...	...	19
Health benefits	...	...	10
Federal Employees Retirement System (FERS)	...	...	109
GSA rent	...	...	20
Additional compensable day	...	...	9
Total, mandatory increases	...	...	281
Decreases:			
Federal Telecommunications System (FTS)	...	...	-8
1991 Base	53	53	$10,246
Program decrease	...	...	-239
1991 Request	53	53	$10,007

---

[1] The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as mandatory increase and built into the 1991 base.

Federal Prison System

National Institute of Corrections

Justification of Adjustments to Base
(Dollars in thousands)

	Perm. Pos.	Work-Years	Amount
Mandatory increases:			
1. Adjustment in permanent positions & workyears........................	4	4	...
This adjustment represents a realignment of resources to accomplish a more permanent staffing complement at the National Academy of Corrections in Boulder, Colorado. Within the past year, the Academy experienced tremendous turnover both in permanent staff and individuals hired under the Intergovernment Personnel Act (IPA). With this change, it was realized that there was an erosion of institutional knowledge. To preclude this from occurring again, it is NIC's desire to create better balance in its permanent staff and IPA hires. The funding to finance these workyears, we propose to transfer the resources from object classification 2500.			
2. Additional compensable day..	...	...	59
The annual salary rate for Federal employees is based on 260 paid days. 1991 has one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.			
3. 1990 Full-year pay increase impact on 1991..........................	...	...	81
This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $81,000 is the amount required for full year funding in 1991. Note: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and is built into the 1991 base.			

		Perm. Pos.	Work-Years	Amount
4.	1991 Pay raise	...	...	$33
	For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. The request provides for 50 percent of the proposed 3.5 percent pay increase effective in January of 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $33,000 is the cost of the pay increase for approximately three quarters of the year assuming a 50 percent absorption.			
5.	Within-grade increases (WGI)	...	...	19
	This request provides for an expected increase in the cost of within-grade increases. This increase represents WGI costs based on a dynamic model of the Department's employee population.			
6.	Health Benefits	...	...	10
	The Federal Employees Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1990, the actual contribution to health insurance increased 29 percent. The requested increase of $10,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.			
7.	Federal Employees Retirement System	...	...	109
	This request provides for the additional costs in 1991 necessary to continue the implementation of the Federal Employees Retirement System Act of 1986, P.L. 99-335. The Act established a retirement program for Federal civilian employees and Postal workers hired after December 31, 1983, who are covered by social security and for employees under the Civil Service Retirement System who chose to transfer to the new system. The increased requirement for 1991 is based on actual agency payments for the basic FERS annuity, Social Security and thrift savings.			

	Perm. Pos.	Work-Years	Amount
8. GSA Rent	...	...	$20
GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontollable increase of $20,000 is required to meet our commitment to GSA.			
Total mandatory increases	4	4	281
Decreases:			
Federal Telecommunications System (FTS)	...	...	-8
A reduction of $8,000 is associated with savings expected to accrue once the new FTS 2000 telephone system is fully activated.			
Program decrease	...	...	-239
A decrease of $239,000 is required to meet the Administration's deficit reduction goal.			
Total decreases	...	...	-247
Total, Adjustments to base	4	4	34

Federal Prison System
National Institute of Corrections
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1989 Actual Position & Workyears	1989 Actual Amount	1990 Estimate Position & Workyears	1990 Estimate Amount	1991 Request Position & Workyears	1991 Request Amount	Increase/Decrease Position & Workyears	Increase/Decrease Amount
ES-4, $79,200	1		1		1		...	
GS/GM-15, $59,216-76,982	6		6		6		...	
GS/GM-14, $50,342-65,444	1		2		2		...	
GS/GM-13, $42,601-55,381	8		11		15		4	
GS-12, $35,825-46,571	4		5		5		...	
GS-11, $29,891-38,855	2		2		2		...	
GS-9, $24,704-32,121	3		3		3		...	
GS-7, $20,195-26,252	6		7		7		...	
GS-6, $18,174-23,628	2		2		2		...	
GS-5, $16,305-21,201	7		8		8		...	
GS-4, $14,573-18,947	1		2		2		...	
1991 Pay Raise	...	...	...	...	...	27	...	27
Total, appropriated positions	41	$1,557	49	$1,818	53	$2,133	4	$315
Pay above stated annual rates	...	...	...	...	...	7	...	7
Lapses	...	...	...	...	...	...	-4	...
Net savings due to lower pay scales for part of year	...	...	...	-16	...	-18	...	-2
Net full-time permanent and total WY personnel compensation	41	$1,557	49	$1,802	53	$2,122	...	$320
Other than full-time permanent	3	801	...	...	...	...	...	...
Total, WY and personnel compensation	44	$2,499	49	$1,802	53	$2,122	...	$320
Average ES Salary		$73,400		$79,700		$79,200		
Average GS/GM Salary		$37,358		$35,892		$39,150		
Average GS/GM Grade		(10.1)		(10.8)		(10.8)		

Federal Prison System
National Institute of Corrections
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class		1989 Estimate		1990 Estimate		1991 Estimate		Increase/Decrease	
		Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1	Full-time permanent	41	$1,557	49	$1,802	53	$2,122	4	$320
11.3	Other than full-time permanent	3	801	...	...	...	...	...	...
	Total, workyears and personnel compensation	44	$2,499	49	$1,802	53	$2,122	4	$320
12	Personnel benefits		348		462		591		129
21	Travel & transportation of persons		224		321		335		14
22	Transportation of things		41		80		83		3
23.2	Rental payments to others		177		508		508		...
23.3	Communications, utilities and miscellaneous charges		96		105		130		25
24	Printing and reproduction		-11		95		95		...
25	Other services		2,961		7,216		4,516		-2,700
26	Supplies and materials		89		94		98		4
31	Equipment		127		256		267		11
41	Grants, subsidies, and contributions		1,507		1,144		1,262		118
	Total obligations	44	8,058	49	12,083	53	10,007	4	-2,076
	Recoveries of prior year obligations		-1,064		...		...		
	Unobligated balance, start-of-year		-114		-2,710		-600		
	Unobligated balance, end-of-year		2,710		600		600		
	Total requirements		9,590		9,973		10,007		
	Relation of obligations to outlays:								
	Total obligations		8,058		12,083		10,007		
	Obligated balance, start-of-year		6,755		3,853		9,322		
	Obligated balance, end-of-year		-3,853		-9,322		-10,365		
	Adjustments in unexpired amounts		-1,064						
	Outlays		9,896		6,614		8,964		

Federal Prison System

National Institute of Corrections

Consulting and Related Services

(Dollars in thousands)

	1989 Actual	1990 Actual	1991 Estimate
Consulting Services..........................	$50	$125	$125

The Institute uses consultants to primarily assist in planning and program development efforts. Specifically, these individuals are used to identify emerging issues in the field of corrections, prepare monographs on specific research topics, conduct training workshops, and assist in planning future initiatives addressing state and local corrections needs.

Department of Justice

Federal Prison System

Buildings and Facilities

Estimates for Fiscal Year 1991

Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes in Appropriation Language	3
Crosswalk of 1990 Changes	4
Summary of Requirements	5
Justification of Program and Performance:	
New Construction	6
Modernization and Repair of Existing Facilities	13
Financial Analysis - Program Changes	16
Status of Construction and Summary of New Facilities Requirements	17
Detail of Permanent Positions by Category	21
Summary of Change	22
Justification of Adjustments to Base	24
Summary of Requirements by Grade and Object Class	25

Federal Prison System

Buildings and Facilities

Summary Statement

The Federal Prison System (FPS) is requesting a total of $374,358,000, 378 positions and 365 workyears for Buildings and Facilities for 1991. This request represents a decrease of $1,131,595,000 and an increase of 2 positions and 69 workyears over the 1990 funds available.

The major objectives of the Buildings and Facilities Appropriation is to provide offenders with a safe and humane environment which affords an acceptable level of privacy and a complete range of programs and activities for improving offenders' capabilities to achieve crime-free lives and to protect capital investment in existing facilities.

Capacity Expansion. The principal theme of the 1991 request is the continuation of the Bureau of Prisons capacity expansion program. For 1991, the Federal Prison System is requesting $288,500,000, 38 positions and 27 workyears to further expand the capacity of the Federal Prison System by 6,175 beds. This includes $191,900,000 for new capacity for 4,925 sentenced Federal offenders and $96,600,000 to assist the U.S. Marshals Service by expanding bedspace for Federal detainees by 1,250. Of the total capacity expansion requested, $125,700,000, 13 positions and 7 workyears is included in the base level. The remaining $162,800,000, 25 positions and 20 workyears are requested as program increases.

Current prison overcrowding coupled with projected increases in the Federal inmate population continues to be the major challenge facing the Federal Prison System. Since January 1981, the FPS facilities have experienced a dramatic 127 percent growth from 23,783 inmates to over 54,000 inmates, an increase of over 30,200 inmates. This population growth is primarily the result of law enforcement and prosecution efforts against drug trafficking and organized crime.

Today, Federal prisons are overcrowded by a system-wide average of 67 percent with several individual institutions overcrowded by more than 100 percent. Prison overcrowding is commonly related to an increased potential for inmate idleness, inmate violence and inmate litigation. It has been judged as a major contributing factor in some of the worst state prison disturbances.

The FY 1990 budget projects that the Federal inmate population will increase to 83,500 by FY 1995. This projection was developed prior to the enactment of the Anti-Drug Abuse Act of 1988 and prior to our having access to substantial data regarding sentences imposed under the new sentencing guidelines. Analysis by our Office of Research of Federal court caseload estimates presented at the March 1989 Judicial Conference indicates that the Federal inmate population growth will accelerate and it is now projected to reach 95,100 by FY 1995. We believe this projection is still conservative for two reasons. First, it is based on the Judicial Conference's low growth scenario in future trends in court convictions and further, it does not anticipate the increase in the number of U.S. Marshals Service pre-trial inmates the Bureau will house.

During this period of rapid growth, the Bureau of Prisons has taken every possible action within available resources to reduce institutional overcrowding to manageable proportions to ensure that Federal inmates continue to serve their sentences in a safe and humane environment. These actions include increasing the utilization of contract facilities, expanding existing institutions, acquiring surplus properties and constructing new institutions.

It should be noted that the Federal Criminal Justice System has traditionally made extensive use of alternatives to confinement. In 1989, approximately 60 percent of the 133,000 Federal offenders were under supervision in the community. The principal alternative to incarceration continues to be probation. The Federal Prison System has also sought to expand alternatives to institutional confinement of prisoners. Since 1982, the community corrections center population was expanded by 2,527 offenders from 948 to 3,475 inmates. This increase has reduced significantly the potential institution based population. In addition, during 1989, 957 offenders were placed on curfew parole status and FPS implemented the limited use of electronic monitoring for those offenders who do not present a threat to society.

The Bureau of Prisons has increased capacity by approximately 8,800 beds since 1981. Funding currently available for the construction of new prisons, the acquisition of surplus facilities for conversion to minimum security camps, and the expansion of existing institutions will add about 33,000 beds when completed.

The Bureau of Prisons dedicated two new Federal Correctional Institutions in 1989, one in Sheridan, OR in August 1989 and the other in McKean County, PA (Bradford Township) in October 1989. The Bureau will complete Correctional Institutions in Fairton, NJ and Jesup, GA in the next several months. Construction is also underway for Correctional Institutions in Minersville, PA (Schuylkill County) and Three Rivers, TX. Site work is underway for a Federal Correctional Institution in Manchester, KY and a Federal Detention Center in Guaynabo, Puerto Rico. Three Federal Correctional Institutions, Estill, SC, Cumberland Md, and a Western FCI; and two Federal Correctional Complexes (Florence, CO and Allenwood, PA) are in design. The Bureau of Prison is considering sites for a Metropolitan Detention Center in the northeast.

Also, the Bureau of Prisons is identifying locations for the construction of five Correctional Complexes, four Federal correctional Institutions, and three Metropolitan Detention Centers and the lease of a Federal Correctional Institution. These additional facilities resulted from the Congress' approval of the President's request for $1.4 billion in 1990 to expand prison capacity. As a result, the capacity of the Federal Prison System will more than double during the President's first term.

The major objective established for the Federal Bureau of Prisons is to continue to expand the capacity of the Federal Prison System to keep pace with projected increases in the inmate population and to simultaneously reduce prison overcrowding to approximately 30 percent by FY 1995.

It should be noted, if the FY 1995 population projection of 95,100 is accurate and funding for capacity expansion is limited to what has currently been appropriated, prison overcrowding would still be at an unacceptable level of 45 percent in FY 1995. Complete support of the 1991 request and continued expansion during 1992 would add 9,655 beds and reduce overcrowding to 27 percent by 1995.

To increase capacity for sentenced Federal offenders, the 1991 request contains a Federal Correctional Complex (1,960 beds), a long-term nursing care unit (300 beds), the expansion of seven existing institutions (965 beds) and the acquisition of military facilities (1,700 beds). The 1991 budget request also includes seven detention units for unsentenced Federal offenders which will add 1,250 beds.

The U.S. Marshals Service has found it increasingly more difficult to house unsentenced Federal detainees in state and local jails because of overcrowding and unconstitutional conditions of confinement. As a result, the Federal Prison System has steadily increased its assistance to the U.S. Marshals. Currently, there are 6,300 unsentenced detainees in Federal Prison System facilities. The U.S. Marshals Service is requesting that the Federal Prison System expand its assistance in housing Federal detainees by constructing additional Federal Detention Centers and establishing or expanding jail units at existing Federal prisons. The 1989 budget provided funding for a new Metropolitan Detention Center in Brooklyn, NY and a Federal Detention Center in Puerto Rico. The 1990 budget funded Metropolitan Detention Centers in Miami, FL and three additional unnamed sites, expansion of two Detention Centers, four additional Detention Units, a holdover unit for the U.S. Marshals Service and a Detention Unit for the Immigration and Naturalization Service.

Major Renovations and Improvements The normal expected useful life of buildings without major repair and renovation is 30 years. Fifty percent of FPS facilities are over 30 years old. Moreover, prison facilities are subjected to heavier than normal use. The FPS has an ongoing program for the replacement and/or rehabilitation of obsolete structures and plant facilities. Each year several high priority projects are identified by field facilities. The 1991 request includes $31,900,000, 15 positions, and 15 workyears for 7 new projects to continue to preserve the infrastructure of prison facilities.

Utility Improvements Finally, this request includes $8,700,000 to improve water and sewage systems at three locations.

Federal Prison System

Buildings and Facilities

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Buildings and Facilities

For planning, acquisition of sites and construction of new facilities; purchase, leasing and acquisition of facilities and remodeling and equipping such facilities for penal and correctional use, including all necessary expenses incident thereto, by contract or force account; and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, [$401,332,000] to remain available until expended: Provided, That labor of United States prisoners may be used for work performed under this appropriation: Provided further, That not to exceed 10 per centum of the funds appropriated to "Buildings and Facilities" in this Act or any other Act may be transferred to "Salaries and Expenses", Federal Prison System upon notification by the Attorney General to the Committees on Appropriations of the House of Representatives and the Senate in compliance with provisions set forth in Section 606 of this Act.

$374,358,000

(18 U.S.C. 4003, 4009, 4010, 4042, 4125; Department of Justice Appropriations Act, 1990) additional authorizing legislation to be proposed.

[For carrying out efforts at National Drug Control and the President's initiative to combat violent crime, $1,000,000,000, to remain available until expended, for acquisition and construction of new Federal Prison facilities in order to handle the projected growth in prisoner populations resulting from the increased number of drug-related convictions.]

Department of Transportation and Related Agencies Appropriations Act 1990)

Explanation of Changes:

No substantive changes proposed.

Federal Prison System

Buildings and Facilities

Crosswalk of 1990 Changes

(Dollars in thousands)

Activity/Program	1990 President's Budget Request			Transfer from Special Forfeiture Fund			1990 Sequestration			Reprogramming			1990 Availability		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
1. New Construction......	266	192	$1,304,502	...	...	$109,000	...	...	-4,254	...	...	...	266	192	$1,409,248
2. Modernization and Repair of Existing Facilities..........	110	104	96,830	...	...	...	...	...	-125	...	...	...	110	104	96,705
	376	296	1,401,332	...	...	109,000	...	...	-4,379	...	...	...	376	296	1,505,953

Transfer from Special Forfeiture Fund. This reflects the anticipated transfer from the Office of National Drug Control Policy's Special Forfeiture Fund. These funds are derived from the Department's Assets Forfeiture Fund.

Federal Prison System

Buildings and Facilities

Summary of Requirements

(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990	376	296	$401,332
Department of Transportation Appropriations Act, 1990-Emergency Drug Funding	...	...	1,000,000
1990 as Enacted	376	296	1,401,332
1990 Sequestration	...	...	-4,379
Appropriations Adjusted	376	296	1,396,953
Transfer from Special Forfeiture Fund	...	...	109,000
1990 Availability	376	296	1,505,953
Mandatory increases	...	83	2,229
Decreases (automatic non-policy)	-38	-49	-1,337,224
1991 base	338	330	170,958

	1989 as Enacted			1989 Actual			1990 Availability			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by Program	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
New Construction	87	67	$479,771	87	39	$146,739	266	192	$1,409,248	228	226	$127,929	253	246	$290,729	25	20	$162,800
Modernization and Repair	94	88	100,643	94	78	64,053	110	104	96,705	110	104	43,029	125	119	83,629	15	15	40,600
Total	181	155	580,414 1/	181	117	210,792	376	296	1,505,953	338	330	170,958	378	365	374,358	40	35	203,400
Other Workyears:																		
Overtime		2			2			5			5			5			...	
Total Compensable Workyears		157			119			301			335			370			35	

	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
EOY Employment:																		
Full-time permanent	181	...	181	125	...	125	376	...	376	338	...	338	378	...	378	40	...	40

1/ This amount includes $281,121,000 for transfer from the Assets Forfeiture Fund and $95,600,000 provided in the 1989 Anti-Drug Abuse Supplemental.

Federal Prison System

Buildings and Facilities

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity/Program	1990 Availability Perm. Pos.			1991 Base Perm. Pos.			1991 Estimate Perm. Pos.			Increase/Decrease Perm. Pos.		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
New Construction...............	266	192	$1,409,248	228	226	$127,929	253	246	$290,729	25	20	$162,800

Long Range Goals:

Provide safe, humane environments for both inmates and staff, which meet the basic human needs for privacy and dignity, which support voluntary programs of self-improvement that prepare inmates for their eventual release into the community, and which minimize the often corrosive effects of institutional confinement.

Expand the capacity of the Federal Prison System to keep pace with projected increases in the Federal inmate population and to simultaneously reduce prison overcrowding to 30 percent by FY 1995.

Major Objectives:

Review FPS capacity requirements.

Locate and acquire suitable, surplus facilities as an alternative to prison construction.

Locate and acquire suitable sites for new construction.

Prepare design programs and concepts for new facilities, including new housing units.

Construct new Federal prisons and detention centers and expand existing Federal prisons as required.

Undertake a leasing program for two (2) new Federal Correctional Institutions.

Base Program Description: The Federal Prison System (FPS) continuously reviews capacity requirements, considering the inmate population level, current law enforcement initiatives, geographic origin of the confined population, and the age and condition of present facilities. If the Federal inmate population levels are projected to exceed the capacity of the Federal Prison System, every possible action is taken to keep institutional overcrowding at manageable proportions to insure that Federal inmates continue to serve their sentences in a safe and humane environment.

It should be noted that the Federal Judiciary and the Federal criminal justice community have traditionally made extensive use of alternatives to confinement. In 1989, approximately 60 percent of the 133,000 Federal offenders were under supervision in the community. The principle alternative to incarceration continues to be probation.

The Federal Prison System has also sought alternatives to institutional confinement of prisoners. Since 1982, the community treatment center population was expanded from 948 to approximately 3,475 inmates. This increase has reduced significantly the potential institution based population. In addition, during 1989, 957 offenders were placed on curfew parole status and FPS continued the limited use of electronic monitoring for those offenders who do not present a threat to society.

Several other options to constructing new prisons to reduce overcrowding have been pursued by FPS. These include contracting with state, local and private facilities, expanding existing Federal prisons, and acquiring surplus facilities.

During 1989, the FPS contracted with state and local governments for the confinement of approximately 2,800 Federal inmates.

From a cost perspective, the expansion of existing institutions is the least expensive technique for increasing FPS capacity. The FPS is currently building additional housing units 20 at facilities where program space can absorb further population increases. However, where major program areas, such as food service and utilities, are already saturated, expansion may approach the cost of newly constructed facilities.

The FPS continually reviews Federal surplus and other property for possible acquisition and conversion to correctional use. The acquisition and conversion of existing property and structures is much less expensive than new construction and such facilities can be brought on-line in a much shorter period of time. While conversion of facilities to minimum security institutions is usually feasible, it generally is not cost-effective to convert most surplus properties to higher security level institutions because appropriate physical security must be designed into the facility. Converting existing non-correctional properties to medium and maximum security facilities is frequently more expensive than design and construction of new institutions.

If no suitable alternatives are available, FPS must construct new facilities to expand capacity. A suitable site must be located and acquired. The site acquisition process includes notification of the public and preparation of an Environmental Impact Statement. The new facility is designed by contract architects and the project is then bid for construction. Essentially, the FPS oversees construction projects that have been contracted out to private construction firms.

The FPS inmate population of over 54,000 is currently being housed in facilities with a total rated capacity of about 32,500, a system overcrowding rate of approximately 67 percent. Research studies on prison overcrowding indicate that the normal tensions of institutional living become magnified and can result in increased violence. In addition, changes in prosecution policies over the past several years have resulted in a more criminally sophisticated and violent Federal inmate population.

The Bureau of Prisons has increased capacity by approximately 8,800 beds since 1981. Funding currently available for the construction of new prisons, the acquisition of surplus facilities for conversion to minimum security camps, and the expansion of existing institutions will add about 33,000 beds when completed.

The Bureau of Prisons dedicated two new Federal Correctional Institutions in 1989, one in Sheriden, OR in August 1989 and the other in McKean County, PA (Bradford Township) in October 1989. The Bureau will complete Correctional Institutions in Fairton, NJ and Jesup, GA in the next several months. Construction is also underway for Correctional Institutions in Minersville, PA (Schuylkill County) and Three Rivers, TX. Site work is underway for a Federal Correctional Institution in Manchester, KY and a Federal Detention Center in Guaynabo, Puerto Rico. Three Federal Correctional Institutions, Estill, SC, Cumberland, MD and a Western FCI; and two Federal Correctional Complexes Florence, CO and Allenwood, PA) are in design. The Bureau of Prisons is considering sites for a Metropolitan Detention Center in the northeast.

Also, the Bureau of Prisons is identifying locations for the construction of five Correctional Complexes, four Federal Correctional Institutions, and three Metropolitan Detention Centers and the lease of a Federal Correctional Institution. These additional facilities resulted from the Congress' approval of the President's request for $1.4 billion in 1990 to expand prison capacity. As a result, the capacity of the Federal Prison System will more than double during the President's first term.

The major objective established for the Federal Bureau of Prisons is to continue to expand the capacity of the Federal Prison System to keep pace with projected increases in the inmate population and to simultaneously reduce prison overcrowding to approximately 30 percent by FY 1995.

It should be noted, if the FY 1995 population projection of 95,100 is accurate and funding for capacity expansion is limited to what has currently been appropriated, prison overcrowding would still be at an unacceptable level of 45 percent. Complete support of the 1991 request and continued expansion during 1992 would add 9,655 beds and reduce overcrowding to 27 percent by 1995.

The FY 1990 budget projected that the Federal inmate population will increase to 83,500 by 1995. This projection was developed prior to the enactment of the Anti-Drug Abuse Act of 1988 and prior to our having access to substantial data regarding sentences imposed under the new sentencing guidelines. Analysis by our Office of Research of Federal court caseload estimates presented at the March 1989 Judicial Conference indicates that the Federal inmate population growth will accelerate and it is now projected to reach 95,100 by 1995. We believe this projection is still conservative for two reasons. First, it is based on the Judicial Conference's low growth scenario in future trends in court convictions. Finally, it does not anticipate the increase in the number of U.S. Marshals Service pre-trial inmates the Bureau will house.

It should be emphasized that the prediction of future events is no less difficult in the prison setting than in other areas of social phenomena. Future policy and discretionary decisions throughout the Federal criminal justice system will significantly affect inmate population levels. It has been the experience of the FPS that highly accurate long-range population projection methodologies simply do not exist. While there are often factors that have statistically valid correlations with prison populations, such as Federal court activities, a basic difficulty arises when one attempts to forecast those variables in order to project prison populations, or when other non-court related variables like Immigration and Naturalization Service or the District of Columbia government policies come into play.

For 1991, the Federal Prison System's base program for new construction includes 13 positions, 7 workyears and $125,700,000 and will provide 2,110 additional beds as follows:

	Resources		
	Pos.	FTE	Amount (in 000's)
Northeast Correctional Complex, 1,960 beds (SL-5/6, 550 beds: SL-3/4, 910 beds; and SL-1, 500 beds).......	12	6	$119,700
Ray Brook - Construct Satellite Camp, 150 beds)..	1	1	6,000

Accomplishments and Workload: The following table compares projected population levels through 1995 to capacity changes (including increases in population and capacity for unsentenced prisoners).

	Historical Information								
Item	1981	1982	1983	1984	1985	1986	1987	1988	1989
Year-End Population..........................	26,195	28,133	30,214	32,317	36,001	41,506	44,194	44,119	51,153
Year-End Rated Capacity......................	23,648	24,072	23,936	24,874	25,532	27,785	27,854	28,143	31,727
Percent Overcrowded..........................	11%	17%	26%	30%	41%	49%	59%	57%	61%

	Estimated Completion	Funding $(000)	Capacity Expansion Plan						Total Changes
			1990	1991	1992	1993	1994	1995	
Rated Capacity (January 1, 1990)............			32,494						
Approved/Funded prior to 1989									
Reconstruction - Cuban Disturbance:									
Atlanta....................................			201						

	Estimated Completion	Funding $(000)	Capacity Expansion Plan 1990	1991	1992	1993	1994	1995	Total Changes
New Federal Prisons 1/:									
Sheridan, OR FCI	Activated	53,320	252						
Fairton, NJ FCI	1/90	36,450	550						
Jesup, GA FCI with a 150 bed camp	9/90	45,000	582						
Three Rivers, TX FCI 2/	10/90	40,000		550					
Minersville, PA FCI with a 150 bed camp	6/91	51,500		700					
Manchester, KY FCI 2/	6/91	40,000		550					
Expansion of Existing Institutions:									
Ashland Satellite Camp	1/90	5,500	150						
Memphis Satellite Camp	1/90	5,500	150						
Talladega Satellite Camp	1/90	5,500	150						
Morgantown Housing Unit	6/90	3,500	160						
Detention Capacity:									
Puerto Rico FDC	10/91	30,000			500				
Tallahassee Detention Unit	10/90	5,000		150					
Fort Worth Detention Unit	10/90	5,000		150					
Subtotal			2,195	2,100	500	0	0	0	4,795
1989 Appropriation									
New Federal Prisons:									
Estill, SC FCI with a 250 bed camp	5/92	49,700			800				
Expansion of Existing Facilities:									
Louisburg Camp Expansion	6/90	5,200	100						
Memphis Segregation Unit	6/90	3,100							
Detention Capacity:									
Brooklyn, NY MDC	10/91	52,000			500				
Subtotal			100	0	1,300	0	0	0	1,400
1989 Drug Bill									
New Federal Prisons:									
Cumberland, MD FCI with a 250 bed camp	7/92	58,100			800				
Expansion of Existing Facilities:									
Three Rivers Satellite Camp	11/90	5,000		150					
Butner Satellite Camp	10/90	5,300		150					
Fairton Satellite Camp	10/90	6,000		150					
Manchester Satellite camp	6/91	5,000		150					

	Estimated	Funding	Capacity Expansion Plan (Con't)						Total
	Completion	$(000)	1990	1991	1992	1993	1994	1995	Changes
Detention Capacity:									
Fairton Detention Unit	10/91	9,800			150				
Expand Acquired Facilities:		6,400							
Yankton, SD FPC	7/90		300						
Bryan, TX FPC	1/90		150						
Subtotal			450	600	950	0	0	0	2,000
1989 Emergency Drug Supplemental									
Allenwood, PA Complex (design) 3/	1/93	6,100							
Florence, CO Complex (design)	12/92	6,500							
Estill, SC FCI (design)	5/92	4,300							
Cumberland, MD FCI (design)	10/91	3,100							
Miami, FL MDC (site)	7/92	5,000							
Seymour Johnson, NC FPC	10/91	7,500			300				300
1989 Assets Forfeiture Fund (received during 1990)									
New Federal Prisons:									
Allenwood, PA Complex	1/93	114,700				1,960			
Florence, CO Complex	12/92	116,421				1,960			
Western FCI	12/92	50,000				500			
Subtotal			0	0	0	4,420	0	0	4,420
Total, 1989			550	600	2,550	4,420	0	0	8,120
1990 Appropriation									
New Federal Prisons:									
Correctional Complexes (5)	1/94	661,746					9,800		
Federal Correctional Institutions (3)	1/94	171,628					3,480		
Lease Program for one FCI	10/92	119,000				500			
Expansion of Existing Institutions:									
Big Spring Housing Unit	6/91	4,500		240					
Otisville Satellite Camp	6/91	6,000		150					
Tallahassee Satellite Camp	6/91	5,300		150					
Tyndall Housing Unit & Support Facilities	6/91	6,000		225					
Loretto Housing Unit	6/91	5,000		100					

	Estimated Completion	Funding $(000)	Capacity Expansion Plan (Con't)						Total Changes
			1990	1991	1992	1993	1994	1995	
Expansion of existing institutions (Con't)									
Danbury Satellite Camp Expansion	6/91	5,300		150					
Lewisburg Segregation Unit	10/91	9,700							
Holdover Unit	10/91	10,000			100				
Detention Capacity:									
Detention Centers (3)	7/93	214,000				1,772			
Miami, FL MDC	12/92	83,000				1,000			
Milan Detention Unit	6/91	10,800		150					
Atlanta Detention Unit	6/91	9,100		150					
Brooklyn MDC expansion	10/91	25,000			250				
Oakdale Unit	10/91	16,000			328				
Puerto Rico FDC expansion	10/91	12,224							
USMS Holdover Unit		4,000							
INS Detention Unit		10,500							
Active Military Facilities:		9,800							
Nellis, NV FPC			200	200					
El Paso, TX FPC			135						
Military Acquisitions FPC	10/91	10,000			500	500			
Total, 1990		1,408,598	335	1,515	1,178	3,772	13,280	0	20,080
Rated Capacity (Approved/Funded Changes)			35,574	39,789	44,017	52,209	65,489	65,489	
Average Daily Population Projections			56,400	62,450	69,500	77,000	85,600	95,100	
Deficit			20,826	22,661	25,483	24,791	20,111	29,611	
Overcrowding Rate			59%	57%	58%	47%	31%	45%	
1991 Congressional Request									
New Federal Prisons:									
Northeast Correctional Complex	10/93	119,700					1,960		
Medical Center:									
Fort Worth Long-Term Care Unit	10/92	10,500				300			
Expand Existing Facilities:									
Raybrook Satellite Camp	6/92	6,000			150				
Big Spring Satellite Camp	6/92	4,500			150				
Bryan, TX Housing (Ph III)	6/92	13,600			340				
Tyndall, FL Camp Expansion	6/92	3,000			75				
El Paso, TX Camp Expansion	6/92	6,000			150				
Terre Haute Segregation Unit	6/92	6,100			100				

	Estimated Completion	Funding $(000)	Capacity Expansion Plan (Con't)						Total Changes
			1990	1991	1992	1993	1994	1995	
Detention Capacity:									
Northeast Detention Unit	6/92	37,500			350				
Sheridan Detention Unit	6/92	10,800			150				
Leavenworth Detention Unit	6/92	10,300			150				
Butner Detention Unit	6/92	8,700			150				
Memphis Detention Unit	6/92	9,700			150				
El Reno Detention Unit	6/92	9,800			150				
Seagoville Detention Unit	6/92	9,800			150				
Acquire and Convert Active and Closed Military Facilities		22,500			1,700				
Subtotal		208,500	0	0	3,915	300	1,960	0	6,175
Rated Capacity (Through 1991 Plan)			35,574	39,789	47,932	56,424	71,664	71,664	
Average Daily Population Projections			56,400	62,450	69,500	77,000	85,600	95,100	
Deficit			20,826	22,661	21,568	20,576	13,936	23,436	
Overcrowding Rate			59%	57%	45%	36%	19%	33%	
1992 to 1995 planned changes to rated capacity									
Federal Correctional Institutions (3)								3,400	
Rated Capacity			35,574	39,789	47,932	56,424	71,664	75,144	
Average Daily Population Projections			56,400	62,450	69,500	77,000	85,600	95,100	
Deficit			20,826	22,661	21,568	20,576	13,936	19,956	
Overcrowding Rate			59%	57%	45%	36%	19%	27%	

1/ Federal Correctional Institution (FCI), Metropolitan Detention Center (MDC), Federal Detention Center (FDC), Federal Prison Camp (FPC), United States Penitentiary (USP)

2/ Reprogramming dated April 1, 1988

3/ Correctional Complex includes SL-5/6, 550 beds; SL-3/4, 910 beds; SL-1, 500 beds

Since January 1981, the Federal inmate population has increased from 23,783 to over 54,000. This dramatic 127 percent increase is the result of the law enforcement initiatives taken by this Administration, particularly the emphasis on drug trafficking and organized crime. Analysis by our Office of Research of Federal court caseload estimates presented at the March 1989 Judicial Conference indicates that the Federal inmate population growth will accelerate and it is now projected to reach 62,450 by 1991 and 95,100 by FY 1995. We believe this projection is still conservative for two reasons. First, it is based on the Judicial Conference's low growth scenario. Secondly, it excludes the potential impact, as yet unknown, of the President's recent proposals to enhance penalties for firearm violations and restrict plea bargaining.

With the support of this Administration and the Congress, the Bureau of Prisons has increased capacity by 8,800 beds since 1981. Funding currently available for the construction of new prisons, the acquisition of surplus facilities for conversion to minimum security camps, and the expansion of existing institutions will add about 33,000 beds when completed.

As the above table indicates, without continuation of the capacity expansion program during 1991 and in subsequent years, the Federal Prison System will be 45 percent overcrowded in 1995. The 1991 to 1995 planned changes to rated capacity will increase prison capacity by 9,655 by 1995. This capacity increase will reduce overcrowding to approximately 27 percent and enable the Federal Prison System to achieve its stated goal.

Program Changes: In 1991, FPS is requesting 25 positions, 20 workyears and $162,800,000 to expand prison capacity by an additional 4,065 beds as follows:

	Pos.	FTE	Amount (in 000's)
Fort Worth Long Term Care Unit (300 beds)	...	...	$10,500
Big Spring - Construct Satellite Camp (150 beds)	1	1	4,500
Bryan - Construct Facility, Ph III, (340 beds)	2	2	13,600
Tyndall - Expand Support Facilities and Camp (75 beds)	...	...	3,000
El Paso - Expand Facility (150 beds)	1	1	6,000
Terre Haute Segregation Unit (100 beds)	1	1	6,100
Military Facilities (1,700 beds)	6	6	22,500
El Reno Detention Unit (150 beds)	1	1	9,800
Seagoville Detention Unit (150 beds)	1	1	9,800
Memphis Detention Unit (150 beds)	1	1	9,700
Northeast Detention Unit, (350 beds)	8	3	37,500
Sheridan Detention Unit (150 beds)	1	1	10,800
Leavenworth Detention Unit, (150 beds)	1	1	10,300
Butner Detention Unit (150 beds)	1	1	8,700
Total, Program Changes (4,065 beds)	25	20	162,800

Combined with Base program funding of $125.7 million, the total 1991 capacity request will provide 6,175 beds.

	1990 Availability			1991 Base			1991 Estimate			Increase/Decrease		
Activity/Program	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Modernization and Repair of Existing Facilities	110	104	$96,705	110	104	$43,029	125	119	$83,629	15	15	$40,600

Long Range Goals: To protect capital investment in facilities. To provide safe, efficient, and adequately sized and equipped facilities for the operation of correctional programs within the Federal Prison System (FPS) institutions.

Major Objectives:

Repair and renovate facilities as required.

Make all facilities energy efficient in accordance with Department of Energy Life Cycle Costing method.

Identify and remove any hazardous waste that may exist on Federal Prison System property.

Comply with all requirements of the Joint Commission on Accreditation of Hospitals.

Comply with all requirements of the National Fire Protection Association (NFPA), 101 Life Safety Code pertaining to penal facilities.

Modernize antiquated Federal prisons.

Base Program Description: This program provides the resources to undertake essential rehabilitation, renovation or replacement projects at existing institutions to ensure that structures, utilities systems, and other plant facilities are kept in a good state of repair. Proper maintenance, modernization and repair of our existing institutions is essential, particularly since 50 percent of our facilities are over 30 years old. Failure to adequately maintain structures and utility systems erodes capital investment and multiplies the costs in future years for accomplishing the required maintenance and repair.

Work is identified by two specific categories of projects: Major line item requirements (projects valued over $500,000) for which funds are specifically requested by project; and repair and improvement (R&I) requirements (projects valued at $4,000 to $500,000). R&I projects address immediate needs resulting from routine repairs, emergencies, correctional program changes, etc., and are considered the base requirements for this program.

Accomplishments and Workload: Accomplishments of the program Modernization and Repair of Existing Facilities are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
New projects established	300	306	364	361
Projects completed and closed	200	300	300	300
Projects active	563	569	633	694

It should be emphasized that the normal useful life of buildings without major repair and renovation is 30 years. Fifty percent of FPS facilities are over 30 years old. Moreover, prison facilities are subjected to heavier than normal use especially during periods of high overcrowding.

Program Changes: In 1991, FPS is requesting 15 positions, 15 workyears, and $40,600,000 to accomplish major modernization and repair projects. Following is a brief description of the projects proposed:

	Pos.	WY	Amount (in 000's)
1. Replace Perimeter Fences at Lompoc, El Reno and Englewood A 12 foot high perimeter fence will be installed at all three institutions. In addition, high mast lighting will be installed at Englewood and El Reno and the perimeter fences and road will be extended.	5	5	$2,350
2. Rehab Support Buildings and Electrical Systems at Lewisburg Most buildings and utility systems at USP Lewisburg are nearly 60 years old. The existing electrical system will be upgraded. All the inmate housing units, hospital and other support facilities will be renovated.	1	1	10,000

	Pos.	WY	Amount (in 000's)
3. Construct Armory at Terminal Island Construct armory and lock shop area and complete installation of electric locks.	2	2	1,100
4. Rehab Roofs, Electrical Systems, Roads and Segregation Unit at Danbury Replace major portions of roofs, rehabilitate electrical systems, replace steam and condensate lines and renovate segregation.	2	2	10,000
5. Expand Support Services at Tucson Install helicopter deterrent, expand segregation unit and medical clinic and install six high mast lights.	2	2	1,690
6. Renovate Housing Units at Alderson Renovate five housing units and correct all life safety deficiencies.	1	1	4,000
7. Renovate Housing Units at Yankton Renovate all existing housing units and correct all life safety deficiencies.	2	2	2,760
8. Sewage Treatment Plant at Sandstone Construct sewage treatment plant for the facility to replace services discontinued.	...	...	2,000
9. Renovate Water and Sewage System at Boron Construct a new water line to the closest municipal supply and rehabilitate and enlarge the present sewer system.	...	...	5,500
10. Sewage Lagoon Improvements at El Reno Construct a total retention lagoon system.	...	...	1,200

Federal Prison System

Buildings and Facilities

Financial Analysis - Program Changes
(Dollars in thousands)

Item	New Construction			Modernization and Repair of Existing Facilities			Total		
	Pos.	Oblig.	Budget Auth.1/	Pos.	Oblig.	Budget Auth.1/	Pos.	Oblig.	Budget Auth.1/
GS-12	4	144	...	5	222 2/	...	9	366	...
GS-11	17	510	...	10	300	...	27	810	...
GS-05	4	64	...	...	...	...	4	64	...
Total positions and annual rate	25	718	...	15	522	...	40	1,240	...
Lapse (-)	5	-150	...	...	...	...	-5	-150	...
Total workyears and personnel compensation	20	568	1,436	15	522	1,044	35	1,090	2,480
Personnel benefits	...	108	215	...	78	156	...	186	371
Other services	...	150,089	150,149	...	35,160	38,238	...	185,249	188,387
Supplies and materials	...	5,500	5,500	...	162	162	...	5,662	5,662
Equipment	...	5,500	5,500	...	...	...	...	5,500	5,500
Lands and structures	...	...	...	...	1,000	1,000	...	1,000	1,000
Total workyears and obligations, and budget authority	20	161,765	162,800	15	36,922	40,600	35	198,687	203,400

1/ Budget authority for personnel compensation and benefits are for the life of the project.

2/ These positions will be filled by employee transfer from closed projects and are not at the entry level, Step 1.

Federal Prison System

Buildings and Facilities

Status of Construction and Summary of New Facilities Requirements
(Dollars in thousands)

Project (beds)	Budget Request or Appropriation New Construction Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Status - December 1989 Oblig. to Date	Stage of Programs	Estimated Completion Date
New facilities:							
	1984	$3,400					
Fairton FCI (550)...................	1985	33,050	$36,450	$46,000	$45,886	97% complete	1/90
	1985	3,500					
McKean (Bradford) FCI 700...........	1987	45,800	49,300	49,600	49,504	Complete	Complete
	1984	5,000					
Sheridan FCI (800)..................	1987	18,320					
	1988	30,000	53,320	49,200	49,118	Complete	Complete
Jesup FCI (700).....................	1987	45,000	45,000	45,000	41,179	75% complete	6/90
	1987	40,000					
Manchester FCI (700)................	1989	5,000 1/	45,000	45,000	7,401	Sitework underway	6/91
	1987	5,000					
Minersville (Schuylkill) FCI (700)..	1988	46,500	51,500	51,500	52,086	10% complete	6/91
	1988	40,000					
Three Rivers FCI (700)..............	1989	5,000 1/	45,000	45,000	49,156	24% complete	10/90
Puerto Rico FDC (500)...............	1988	30,000	42,224	42,224	3,415	Sitework underway	10/91
	1990	12,224					
Allenwood FCC (1,960)...............	1989	114,700 2/					
		6,100 3/	120,800	120,800	6,515	In design	1/93
Florence FCC (1,960)................	1989	116,421 2/					
		6,500 3/	122,921	122,921	6,708	In design	12/92
Western FCI (550)...................	1989	50,000	50,000	50,000	...	In design	12/92

1/ Funded by 1989 Anti-Drug Abuse Supplemental
2/ Funded by 1989 Assets Forfeiture Fund
3/ Funded by 1989 Emergency Drug Fund Supplemental

Status of Construction and Summary of New Facilities Requirements (Con't)

(Dollars in thousands)

	Budget Request or Appropriation				Status - December 1989		
	New Construction						
Project (beds)	Fiscal Year	Amount	Total Funding	Total Current Cost Estimate or Actual	Oblig. to Date	Stage of Programs	Estimated Completion Date
New facilities (Con't)							
Estill FCI (800).....................	1989 1989	$49,700 4,300 3/	$54,000	$54,000	$3,596	In design	5/92
Cumberland, MD FCI (800)............	1989 1989	58,100 1/ 3,100 3/	61,200	61,200	3,482	In design	7/92
Brooklyn, NY MDC (750)..............	1989 1990	52,000 25,000	77,000	77,000	164	Site search underway	10/91
Miami MDC (1,000)...................	1989 1990	5,000 3/ 83,000	88,000	88,000	8,726	In design	12/92
Five Correctional Complexes (9,800).	1990	661,746	661,746	661,746	...	Site search underway	1/94
Three FCI's (3,480).................	1990	171,628	171,628	171,628	...	Site search underway	1/94
Three MDC's (1,772).................	1990	214,000	214,000	214,000	...	Site search underway	7/93
Expansion of existing facilities:							
El Reno Seg Unit (60)...............	1986	2,800	2,800	3,544	3,544	Complete	Complete
Marion Camp Housing Unit (100)......	1987	2,000	2,000	2,178	2,178	Complete	Complete
Ashland Camp (150)..................	1988	5,500	5,500	6,121	6,121	90% complete	1/90
Memphis Camp (150)..................	1988	5,500	5,500	5,500	5,241	Complete	Complete
Talladega Camp (150)................	1988	5,500	5,500	5,500	4,703	Complete	Complete
Atlanta Camp Expansion (150)........	1988	3,000	3,000	3,286	3,286	Complete	Complete
Morgantown Housing Unit (150).......	1988	3,500	3,500	4,648	4,648	45% complete	6/90
Oxford Housing Unit (100)...........	1988	3,700	3,700	3,700	2,554	Complete	Complete
Fort Worth Detention Unit (150).....	1988	5,000	5,000	5,000	28	Starting contract documents	10/90

Status of Construction and Summary of New Facilities Requirements (Con't)

(Dollars in thousands)

Project (beds)	Budget Request or Appropriation New Constructon Fiscal Year	 Amount	 Total Funding	Total Current Cost Estimate or Actual	Status - December 1989 Oblig. to Date	 Stage of Programs	Estimated Completion Date
Tallahassee Detention Unit (150)....	1988	5,000	5,000	5,000	...	In design	10/90
Lewisburg Camp Unit (100)...........	1989	$5,200	$5,200	$5,200	$20	In design	6/90
Memphis Seg. Unit (60)..............	1989	3,100	3,100	3,100	3,002	Construction underway	4/90
Butner Satellite Camp (150).........	1989	5,300	5,300	5,300	5,087	Construction underway	10/90
Fairton Satellite Camp (150)........	1989	6,000	6,000	6,000	32	In design	10/90
Fairton Detention Unit (150)........	1989	9,800 1/	9,800	9,800	8	In design	10/91
Seymour Johnson (300)...............	1989	7,500 3/	7,500	7,500	7,500	8% complete	10/91
Big Spring Housing Unit (240).......	1990	4,500	4,500	4,500	...	In design	6/91
Otisville Satellite Camp (150)......	1990	6,000	6,000	6,000	...	In design	6/91
Tallahassee Satellite Camp (150)....	1990	5,300	5,300	5,300	...	In design	6/91
Tyndall Housing Unit (225)..........	1990	6,000	6,000	6,000	...	In design	6/91
Loretto Housing Unit (100)..........	1990	5,000	5,000	5,000	...	In design	6/91
Danbury Satellite Camp (150)........	1990	5,300	5,300	5,300	...	In design	6/91
Lewisburg Seg. Unit (150)...........	1990	9,700	9,700	9,700	...	In design	10/91
Holdover Unit (100).................	1990	10,000	10,000	10,000	...	In design	10/91
Milan Detention Unit (150)..........	1990	10,800	10,800	10,800	...	In design	6/91
Atlanta Detention Unit (150)........	1990	9,100	9,100	9,100	...	In design	6/91
Oakdale Expansion (328).............	1990	16,000	16,000	16,000	...	In design	10/91
USMS Holdover Unit..................	1990	4,000	4,000	4,000	...		

Status of Construction and Summary of New Facilities Requirements (Con't)

(Dollars in thousands)

	Budget Request or Appropriation					
	New Constructon			Total Current Cost	Status - December 1989	
Project (beds)	Fiscal Year	Amount	Total-Funding	Estimate or Actual	Oblig. to Date	Stage of Programs
INS Detention Beds..................	1990	$10,500	$10,500	$10,500	...	
Atlanta Conversion..................	1983	770	26,478	66,000	22,750	Satellite Camp complete
	1984	2,400				Master plan complete
	1985	7,744				Utility upgrades underway
	1986	1,464				B & D Cellhouses are
	1988	10,000				99% complete.
	1990	4,100				Inmate activity bldg in design
Leavenworth Conversion..............	1981	1,850	33,507	42,400	20,580	Completed "A" and "B" Cellhouses
	1983	5,465				
	1984	1,974				
	1985	7,071				
	1986	4,250				
	1990	12,897				

Federal Prison System
Buildings and Facilities
Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	Adjustments to Base	1991 Program Increases	Total
General Admin Clerical and Office Services (300-399).	17	34	...	1	35
Accounting and Budget (500-599)......................	10	23	...	1	24
Engineering and Architecture Group (800-899).........	87	188	-33	34	189
Business and Industry Group (1100-1199)..............	45	76	...	2	78
Ungraded (mechanical and construction)...............	22	55	-5	2	52
Total..	181	376	-38	40	378
Washington...	19	35	...	2	37
U.S. Field...	162	341	-38	38	341
Total..	181	376	-38	40	378

Federal Prison System

Buildings and Facilities

Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990	376	296	$401,332
Department of Transportation Appropriations Act, 1990-Emergency Drug Funding	...	...	1,000,000
1990 as enacted	376	296	1,401,332
1990 Sequestration	...	...	-4,379
Appropriation adjusted	376	296	1,396,953
Transfer from Special Forfeiture Fund	...	...	109,000
1990 availability	376	296	1,505,953
Adjustments to base:			
Mandatory increases:			
Annualization of 1990 pay supplemental 1/	...	...	1,550
Delayed Construction Projects	...	3	...
Annualization of 1990 increases	...	80	...
Additional compensable day	...	...	42
1991 pay increase	...	...	602
Health benefits	...	...	35
Total, mandatory increases	...	83	2,229
1991 Non-Policy Decreases (closed projects)	-38	-49	-1,337,224
1991 Base	338	330	170,958 2/
Program Changes:			
Expand the Capacity of the Federal Prison System:			
Fort Worth Term Care Unit (300 beds)	...	...	10,500
Big Spring - Construct Satellite Camp (150 beds)	1	1	4,500
Bryan - Construct Facility, Ph III, (340 beds)	2	2	13,600
Tyndall - Expand Support Facilities and Camp (75 beds)	...	...	3,000
El Paso - Expand Facility (150 beds)	1	1	6,000
Terre Haute Segregation Unit (100 beds)	1	1	6,100
Military Facilities (1,700 beds)	6	6	22,500
El Reno Detention Unit (150 beds)	1	1	9,800
Seagoville Detention Unit (150 beds)	1	1	9,800
Memphis Detention Unit (150 beds)	1	1	9,700
Northeast Detention Unit (350 beds)	8	3	37,500
Sheridan Detention Unit (150 beds)	1	1	10,800
Leavenworth Detention Unit (150 beds)	1	1	10,300
Butner Detention Unit (150 beds)	1	1	8,700
Subtotal capacity expansion (4,065 beds) 3/	25	20	162,800
Modernization and Repair of Existing Facilities:			
Replace Perimeter Fences at Lompoc, El Reno and Englewood	5	5	2,350
Rehab Support Building and Electrical Systems at Lewisburg	1	1	10,000

	Perm. Pos.	Work-years	Amount
Modernization and Repair of Existing Facilities: (Con't)			
Construct Armory and Inmate Activity Center at Terminal Island	2	2	$1,100
Rehab Roofs, Electrical Systems, Roads and Segregation Unit at Danbury	2	2	10,000
Expand Support Services at Tucson	2	2	1,690
Construct Education/Recreation and Other Support Bldgs at Alderson	1	1	4,000
Renovate Housing Units at Yankton	2	2	2,760
Sewage Treatment Plant at Sandstone	...	...	2,000
Renovate Water and Sewage System at Boron	...	...	5,500
Sewage Lagoon Improvements at El Reno	...	...	1,200
Subtotal, Modernization and Repair	15	15	40,600
Total, program changes 1/	40	35	203,400
1991 Estimate	378	365	374,358

1/ The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

2/ Includes $127.9 million to construct one correctional complex and one housing unit expansion project which will add 2,110 beds. The remaining $43.1 million is for the modernization and repair of existing institutions.

3/ Combined with the 2,110 beds included in the base, capacity expansion will total 6,175 beds in 1991.

Federal Prison System

Buildings and Facilities

Justification of Adjustments to Base

(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Mandatory Increases:			
1. 1990 full-year pay increase impact on 1991 This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $1,550 is the amount required for full-year funding in 1991. NOTE: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.	...	...	$1,550
2. Annualization of 1990 increases and delayed projects	...	83	...
3. Additional Compensable Day The annual salary rate for Federal employees is based on 260 paid days. During 1991 there is one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.	...	...	42
4. 1991 Pay Increase For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This request provides for the 50 percent of the proposed 3.5 percent pay increase effective in January 1991. The Department will be required to absorb half of the costs of this pay raise. the amount requested, $602, is the cost of the pay increase for approximately three-quarters of the year assuming a 50-percent absorption.	...	...	602
5. Health benefits The Federal Employees Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1989, the actual contribution to health insurance increased 31 percent. The requested increase of $35,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.	...	...	35
Total mandatory increases	...	83	2,229
Decreases (Automatic non-policy):			
1. Non-recurring costs - The base includes $125.7 million for capacity expansion. The remaining projects funded in 1990 were treated as non-recurring costs	...	...	-1,337,224
2. Positions and workyears associated with closed projects	-38	-49	...
Total decreases	-38	-49	-1,337,224
Total, adjustments to base	...	34	-1,334,995

Federal Prison System

Buildings and Facilities

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1989 Actual Positions & Workyears	1989 Actual Amount	1990 Estimate Positions & Workyears	1990 Estimate Amount	1991 Estimate Positions & Workyears	1991 Estimate Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
GS/GM 14 $50,652-65,446	1		2		2		...	
GS/GM 13 $42,601-55,384	13		28		28		...	
GS-12 $35,824-46,575	24		61		62		1	
GS-11 $29,890-38,860	81		157		158		1	
GS-10 $27,206-35,364	2		4		4		...	
GS-09 $24,704-32,117	16		26		26		...	
GS-05 $16,304-21,199	17		36		36		...	
GS-04 $14,573-18,966	3		3		3		...	
Ungraded positions	24		59		59		...	
1991 pay increase	...	...	...	...	...	$482	...	$482
Total Appropriated positions	181	$6,091	376	$13,131	378	$13,831	2	$700
Pay above stated annual rates	...	...	...	...	...	42	...	42
Lapses	-64	-1,908	-80	-2,073	-13	-260	67	1,813
Net savings for lower pay scales	...	-60	...	-114	...	...	...	114
Net full-time permanent	117	4,143	296	10,944	365	13,613	69	2,669
Average GS/GM salary		$34,159		$34,946		$35,521		
Average GS/GM grade		11.6		11.6		11.5		
Average Salary of Ungraded Positions		$30,318		$31,561		$32,192		

Summary of Requirements by Grade and Object Class (Cont'd.)
(Dollars in thousands)

	1989 Actual		1990 Estimate		1991 Estimate		Increase/Decrease	
Grades and salary ranges	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Personnel compensation:								
11.1 Full-time permanent......................	117	$4,143	296	$10,944	365	$13,613	69	$2,669
11.3 Other than full-time permanent...........	...	54	...	...	...	...	...	...
11.5 Other personnel compensation.............	2	156	5	296	5	365	...	69
Total personnel compensation...............	119	4,353	301	11,240	370	13,978	69	2,738
Other objects:								
12.0 Personnel benefits.......................		1,006		2,590		3,194		604
21.0 Travel and trans of persons..............		557		1,583		3,592		2,009
22.0 Transportation of things.................		107		304		690		386
23.2 Rental payments to others................		101		287		651		364
23.3 Comm, utilities and misc.................		330		938		2,128		1,190
24.0 Printing and reproduction................		15		43		97		54
25.0 Other services...........................		196,846		559,385		1,234,993		675,608
26.0 Supplies and materials...................		6,684		18,994		43,106		24,112
31.0 Equipment................................		742		2,109		4,785		2,676
32.0 Land and Structures......................		51		145		329		184
42.0 Insurance claims and indemnities.........		...		...		...		...
Total obligations.............................		210,792		597,618		1,307,543		709,925
Recovery of Prior Year Obligations............		9,976		...		...		...
Unobligated Balance, start-of-year............		-235,461		-595,107		-1,394,442		-799,335
Unobligated Balance, end-of-year..............		595,107		1,394,442		461,257		-933,185
Total Requirements..........................		580,414		1,396,953 1/		374,358		-1,022,595
Relation of Obligations to Outlays:								
Obligations incurred, net....................		210,792		597,618		1,307,543		709,925
Obligated Balance, start-of-year.............		135,102		195,843		587,171		391,328
Obligated balance, end-of-year...............		-195,843		-587,171		-1,032,117		-444,946
Adjustments in unexpired accounts............		9,976		...		...		...
Outlays....................................		160,027		206,290		862,597		656,307

1/ Excludes $109 million to be transferred from the Special Forfeiture Fund at the end of 1990, if available.

Department of Justice

Federal Prison System

Federal Prison Industries, Incorporated

Estimates for Fiscal Year 1991

Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes to the Appropriation Language	2
Summary of Requirements	3
Justification of Program and Performance	4
Summary of Change	7

Federal Prison System

Federal Prison Industries, Incorporated

Summary Statement

Fiscal Year 1991

The Federal Prison System is requesting for the Federal Prison Industries, Incorporated, for 1991, a total of 1,482 permanent positions and 1,467 workyears. This request represents an increase of 40 positions and 63 workyears from the planned 1990 level. In response to the unprecedented increase in the Federal inmate population of 59 percent from 1983 to 1989, the Federal Prison System has undertaken the largest capacity expansion program in its history. Until 1989, the Corporation was able to keep pace with this growth by expanding plants from retained earnings to permit a 77 percent increase in inmate employment.

Federal Prison Industries, Incorporated, was created by Congress in 1934 and is a wholly-owned Government corporation. The Corporation is authorized to operate industries in Federal penal and correctional institutions and disciplinary barracks (18 U.S.C. 4121-4128). Supervision is provided by the Director of the Federal Prison System who has jurisdiction over all Federal penal and correctional institutions.

Administrative expenses - A board of six directors, appointed by the President and serving without compensation, review and approve the policies of the Corporation. General management of the Corporation is presently performed by a staff of 32 employees located in Washington D.C. Expenses of this function are subject to Congressional limitation.

Industrial manufacturing program - An average of approximately 14,833 inmates will be employed during 1991 at 48 locations in the manufacture of such items as furniture, clothing, electronics, metal and canvas products, and in service industries such as furniture refinishing and data processing. In 1991, an increase of 40 positions is requested to provide work for as many of the employable inmate population as is possible, open new factories and expand existing factories.

Federal Prison System

Federal Prison Industries, Incorporated

Justification of Proposed Language Changes

The 1991 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Federal Prison Industries, Incorporated

The Federal Prison Industries, Incorporated, is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 104 of the overnment Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase of (not to exceed five for replacement only) and hire of passenger motor vehicles. (18 U.S.C. 4121-4128; Department of Justice Appropriations Act, 1990.)

Limitation on Administrative [and Vocational] Expenses
Federal Prison Industries, Incoporated

Not to exceed [$2,857,000] of the funds of the corporation shall be $3,167,000 available for its administrative expenses, for services as authorized by 5 U.S.C. 3109, to be computed on an accrual basis and to be determined in accordance with the corporation's prescribed accounting system in effect on July 1, 1946, and such amounts shall be exclusive of depreciation, payment of claims, expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest. (Department of Justice Appropriations Act, 1990.)

Explanation of Changes:

No substantive changes proposed.

Federal Prison System

Federal Prison Industries, Incorporated

Summary of Requirements

(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1990 estimate of obligations 1/	1,442	1,404	$359,458
Mandatory increases	...	38	12,464
Mandatory decreases	...	...	(86)
1991 base	1,442	1,442	371,836

	1989 Actuals			1990 Estimated Obligations			1991 Base			1991 Estimate			Increase/ Decrease		
Estimates by budget activity	Perm Pos	WY	Amt	Perm Pos	WY	Amt	Perm Pos	WY	Amt	Perm Pos	WY	Amt	Perm Pos	WY	Amt
1. Administrative expenses 2/	29	29	$2,266	32	32	$2,857	32	32	$2,857	32	32	$3,167	...	...	$310
Vocational Training	97	39	4,667	...	...	...	...	...	...	...	...	...	...	...	...
Subtotal, funds subject to Congressional limitation	126	68	6,933	32	32	2,857	32	32	2,857	32	32	3,167	...	...	310
3. Cost of production 3/	1,245	1,244	254,544	1,410	1,372	305,924	1,410	1,410	316,173	1,450	1,435	321,686	40	25	5,513
4. Other expenses	...	...	14,784	...	...	29,658	...	...	31,787	...	...	33,868	...	...	2,081
5. Buildings and improvement	...	...	26,551	...	...	11,672	...	...	11,672	...	...	22,129	...	...	10,457
6. Machinery and equipment	...	...	5,339	...	...	9,347	...	...	9,347	...	...	8,650	...	...	(697)
Total 4/	1,371	1,312	308,151	1,442	1,404	359,458	1,442	1,442	371,836	1,482	1,467	389,500	40	25	17,664
Holiday/Overtime		49			15			15			15			...	
Total, Compensable Workyears		1,361			1,419			1,467			1,482			25	

1/ Subsequent to the 1990 Congressional Budget Submission the actual obligations for Fiscal 1988 were adjusted downward to correct an error in reporting. Fiscal 1990 reflects this change.

2/ The galley submission for positions (29) and workyears (29) in 1990 and 1991 was erroneous. The figures depicted above are correct.

3/ The amount shown in the 1989 Actuals column ($254,275) was incorrect in the galleys and is correctly depicted above.

4/ The galley submission for 1991 positions (1,467) was erroneous and should have reflected the figure above.

Federal Prison System

Federal Prison Industries, Incorporated

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Federal Prison Industries, Inc.	1990 Estimated Obligations Perm Pos	WY	Amt	1991 Base Perm Pos	WY	Amt	1991 Estimate Perm Pos	WY	Amt	Increase/ Decrease Perm Pos	WY	Amt
Administrative expenses.......	32	32	$2,857	32	32	$2,857	32	32	$3,167	...	...	$310
Industrial Operations:												
Cost of production........	1,410	1,372	305,924	1,410	1,410	316,173	1,450	1,435	321,686	40	25	5,513
Other expenses............	...	...	29,658	...	...	31,787	...	...	33,868	...	...	2,081
Buildings and improvement.	...	...	11,672	...	...	11,672	...	...	22,129	...	...	10,457
Machinery and equipment...	...	...	9,347	...	...	9,347	...	...	8,650	...	...	(697)
Total....................	1,442	1,404	359,458	1,442	1,442	371,836	1,482	1,467	389,500	40	25	17,664

Long Range Goal: Improve management of the Federal Prison System by employing and training inmates through the efficient and profitable operation of industries. By producing quality products and services for the Federal customer, inmates acquire practical skills on-the-job and achieve self-discipline and improvement in the workplace.

Major Objectives:

Operate all industrial factories and shops with inmate labor that is productive and efficient.

Expand factory capacity to provide employment for the optimum number of inmates available for work based on work measurement studies.

Provide on-the-job training to an average 14,833 inmates in all industrial factories in fiscal year 1991.

Sell products and services to other Federal agencies at market value consistent with the goal of remaining financially self-supporting.

Provide pre-industrial training projects to enhance factory operations and provide increased training opportunities.

Continue implementation of a fully automated management information system.

Continue to update staffing guidelines that will support efficient operation at all factories.

Base Program Description: Federal Prison Industries, Inc., has been self-sustaining since its inception when Congress transferred $3 million in capital assets to the Corporation for start-up costs. Since that time the Corporation has returned $82 million in profits to the United States Treasury. Due to the rapid expansion of the Bureau of Prisons, borrowing authority from the Treasury was requested in fiscal year 1989 in order to keep pace with the Bureau's expansion. The use of this authority will fund additional factory capacity, and therefore provide FPI the ability to employ more inmates. Revenues are primarily derived from the sale of products and services to other Federal agencies. Operating expenses are applied against these revenues, resulting in operating income or loss. As required by Congress, annual audits are completed by an independent big-eight accounting firm. A report is then submitted to Congress that affirms the financial integrity of the Corporation.

Federal Prison Industries addresses the problem of inmate idleness by providing a full-time work program for the Federal inmate population available for work. More than 50 percent of the inmates do not have marketable skills. FPI provides a program of constructive industrial work to develop job skills and acquire good work habits.

Institution factories and shops are managed by civilian supervisors who train and oversee the work of inmates. Orders for goods and services are obtained trough marketing and sales efforts by civilian staff. The largest customers are the Department of Defense, Postal Service and General Services Administration. Institution factories manufacture such items as furniture, clothing, electronics, metal and canvas products, and provide such services as data processing and furniture refinishing. Prices are usually established in negotiation with customer agencies at or near, but not exceeding current market prices. A portion of the profits realized by these operations is reinvested to improve facilities, purchase new equipment, maintain state-of-the art capability, and provide working capital.

To operate modern factories and shops and produce products that must meet Government specifications requires extensive inmate training because most of the inmates have had no previous training, experience or skills. Much of the needed training occurs on-the-job, with civilian supervisors and experienced inmates explaining and demonstrating the work to newly assigned inmates. Where skills require more formal training, classroom instruction is provided. Production Training Units, which combine classroom and on-the-job training, offer an effective method of skill development. Also in operation are registered programs of apprenticeship approved by the U.S. Department of Labor's Bureau of Apprenticeship and Training and local unions.

Accomplishments and Workload: Actual and estimated accomplishments for Federal Prison Industries are presented in the following table:

			Estimates	
Item	1988	1989	1990	1991
Average inmate employment......................	14,115	13,302	13,868	14,833
Sales...	$306,754,381	$373,900,000	$385,671,000	$410,000,000

Item	1988	1989	Estimates 1990	 1991
Use of Corporate earnings:				
Vocational training	$7,571,000	$4,677,000	*	...
MSA (performance awards, pay)	6,000,000	6,926,000	*	...
Accident compensation	300,000	272,000	300,000	300,000
Increase in retained earnings	11,500,000	14,653,000	26,213,000	20,500,000
Number of shops/factories	72	73	77	81

*Beginning in 1990, costs of vocational training & MSA (performance awards and pay) will be paid for by the salaries and expenses appropriation of the Federal Prison System.

During 1989, an average of 13,302 inmates were employed at 42 institutions in 73 factories. This represented 39.5 percent of the working inmate population. Sales increased to $373.9 million with net income of $6.2 million. While an increase in retained earnings is occurring each year, the net effect is negated by the need to keep pace with the growth of the Bureau of Prisons in constructing and expanding factories. Thus Federal Prison Industries sought and received borrowing authority for this expansion. A manufacturing management control system, which would allow closer coordination and monitoring of all planning, management, manufacturing and support functions within the Corporation, was prepared for 1990 implementation. Reconfiguration of divisional and institutional functions was accomplished to allow a greater efficiency and use of limited resources.

Staff training programs continued in all levels and functions of the Corporation as resources allowed.

Program Changes:	1991 Base Perm. Pos.	 WY	 Amount	1991 Estimate Perm. Pos.	 WY	 Amount	Increase/Decrease Perm. Pos.	 WY	 Amount
Industrial Manufacturing Program	1,442	1,442	$371,836	1,482	1,467	$389,500	40	25	$17,664

An increase of 40 positions and 25 workyears and $17,664,000 will enable Federal Prison Industries to employ an average of 14,833 inmates, an increase of 965. These resources will enable FPI to staff factories and business offices at the new Federal Correctional Institutions at Manchester, KY and Minersville, PA.

OPENING STATEMENT

Mr. EARLY. The Committee is pleased to welcome back the Director of the Federal Prison System, Mr. J. Michael Quinlan. Mr. Quinlan, you may proceed with your statement any way you would like.

Mr. QUINLAN. Thank you very much, Mr. Chairman.

First of all I would like to introduce to you again this year Wade Houk, who is the Assistant Director for Administration, on my right; and also introduce, Wayne Huggins sitting behind me, who was just recently appointed by the Attorney General as the Director of the National Institute of Corrections. Mr. Huggins, who previously served as sheriff of Fairfax County, Virginia, for over 10 years, comes to the position with a great deal of experience. I am sure the experience will be helpful in providing assistance to the State and local governments through the National Institute of Corrections' programs.

I appreciate the opportunity to appear before you, Mr. Chairman, and I would like to have the statement admitted into the record; and I would like to summarize, if I could, a couple of the key points of our budget for fiscal year 1991.

Mr. EARLY. We will include the entire statement in the record at this point.

[The prepared statement of Mr. Quinlan follows:]

DEPARTMENT OF JUSTICE

STATEMENT OF THE DIRECTOR, FEDERAL BUREAU OF PRISONS
J. MICHAEL QUINLAN
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON
THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you today to discuss the Federal Bureau of Prisons' 1991 budget request. As you will note, our request totals $1,756,247,000 and 24,407 positions. The principal theme of the FY 1991 budget is the continued expansion of Federal prison capacity. It is essential that we expand capacity to keep pace with the projected growth in the inmate population and, at the same time, reduce the critical level of overcrowding in the Federal Prison System.

In addition to capacity expansion, this budget also includes important requests for additional resources to increase and improve inmate drug abuse treatment, literacy programs and medical services; to address critical staff development concerns resulting from the expansion program; and to provide for plant rehabilitation and renovation at existing facilities, many of which are over 30 years old and have been subjected to heavier than normal use because of prison overcrowding.

Inmate Population Growth/Projections

Mr. Chairman, the number of Federal inmates in the direct custody of the Bureau of Prisons is over 55,000. The Federal inmate population has increased by over 8,200 inmates or 18 percent during the past year, an unprecedented rate of growth. This growth reflects the success of Federal law enforcement efforts, particularly those directed at drug trafficking. The number of Federal inmates incarcerated for drug offenses has been steadily rising. In 1980, 25 percent of the total Federal inmate population were drug offenders compared with approximately 50 percent today. We project that drug offenders will represent over two-thirds of the total Federal inmate population by 1995.

While it is impossible to predict future inmate population levels with precision, I believe we all are in agreement that the number of Federal inmates will continue to increase. In last year's budget we projected that the Federal inmate population would increase to 83,500 by FY 1995. This projection was developed prior to the enactment of the Anti-Drug Abuse Act of 1988 and prior to having access to substantial data regarding sentences imposed under the new sentencing guidelines. Our analysis of Federal court caseload estimates presented at the March 1989 Judicial Conference indicates that the Federal inmate population growth will accelerate and it is now projected to reach 95,100 by FY 1995. We believe this projection is still conservative for three reasons. First, it is based on the Judicial Conference's low growth scenario of future trends in court convictions. Secondly, it excludes the potential impact of the President's proposals to enhance penalties for firearm violations and restrict plea bargaining. Third, it does not include increased assistance to the U.S. Marshals Service in housing Federal pre-trial detainees.

Progress in Reducing Prison Overcrowding

The current population of over 55,000 inmates is housed in prison facilities that by contemporary correctional standards should confine about 32,500 inmates. Today, Federal prisons are overcrowded by a system-wide average of 67 percent with several individual Federal institutions overcrowded by more than 100 percent.

The major objective established for the Federal Bureau of Prisons is to continue to expand the capacity of the Federal Prison System to keep pace with projected increases in the inmate population and to simultaneously reduce prison overcrowding to manageable levels.

As you know Mr. Chairman, we have already made significant progress, increasing Federal prison capacity by more than 8,800 beds since 1981. Funding currently approved by the Congress for the construction of new prisons, the acquisition of surplus facilities for conversion to minimum security camps, and the expansion of existing institutions will add 32,995 beds when completed.

In 1989, the Bureau of Prisons dedicated two new Federal Correctional Institutions, one in Sheridan, Oregon in August and one in McKean County, Pennsylvania in October. Under construction are the Federal Correctional Institutions in Fairton, New Jersey; Jesup, Georgia; Minersville, Pennsylvania (Schuylkill County); Three Rivers, Texas; and Manchester, Kentucky. Also, the Bureau of Prisons has in design a Federal Detention Center in Guaynabo, Puerto Rico; two Federal Correctional Institutions (Estill, South Carolina and Cumberland, Maryland); two Federal Correctional Complexes (Florence, Colorado and Allenwood, Pennsylvania); and is considering sites for Metropolitan Detention Centers in Brooklyn, New York and Miami, Florida.

Further, the Bureau of Prisons is identifying locations for the construction of five Correctional Complexes, four Federal Correctional Institutions, and three Metropolitan Detention Centers and the lease of a Federal Correctional Institution. These additional facilities resulted from the Congress' support of the President's request for $1.4 billion in 1990 to expand prison capacity.

The graph I have attached to this statement illustrates the President's plan to reduce prison overcrowding and keep pace with projected increases in the Federal inmate population. If the FY 1995 population projection increases to 95,100, as expected, current funding for capacity expansion will reduce prison overcrowding to 45 percent by 1995. Continued support of the President's plan during the period 1991-1993 would add 9,655 beds and reduce overcrowding to approximately 30 percent by 1995.

Plans for Capacity Expansion in 1991

Our 1991 budget requests $288.5 million to fund the construction of 6,175 new prison beds. This includes 4,925 beds for sentenced offenders through the construction of a Federal Correctional Complex; a long-term nursing unit; the expansion of six existing institutions; and the acquisition of surplus properties for conversion to minimum security facilities.

In addition to our plans to construct new prisons for sentenced Federal offenders, the Bureau of Prisons continues to assist the U.S. Marshals Service in housing pre-trial detainees. Close cooperation has been developed between both agencies through joint planning efforts. For FY 1991, this includes detention units at seven existing facilities.

The U.S. Marshals Service (USMS) first attempts to meet its detention responsibilities by contracting with local jails through the use of Intergovernmental Agreements and the Cooperative Agreement Program (CAP). The USMS has identified several geographic locations where they anticipate that local contracts will be insufficient to meet their pre-trial detention requirements. For these locations, the USMS has requested that the Bureau of Prisons provide detention facilities through the construction of new Metropolitan Detention Centers and expansion or establishment of detention units at existing Federal prisons.

The Bureau of Prisons has revised its facilities expansion plan to incorporate detention requirements identified by the USMS to date.

Cost Effective Approaches to Capacity Expansion

We recognize that the prison expansion program required to meet our objectives is an undertaking of substantial dimensions, in terms of both human and financial resources. It is equally clear that failure to achieve these objectives can result in greater prison overcrowding and could seriously jeopardize the lives and safety of Bureau of Prisons staff and inmates. This type of a crisis would invite court intervention and the establishment of prison population "caps", ultimately leading to a "gridlock" in the Federal criminal justice system. This scenario has already occurred in several State correctional systems.

I want to assure you and the members of this Committee that we will meet our mission in the most cost-effective manner possible. We continue to make maximum use of half-way houses, contract detention and other community options, and to expand capacity at existing institutions where possible. However, it is clear to me that public safety dictates that most of our expansion needs will require construction of new Federal prison facilities.

The Bureau of Prisons has taken several actions to insure that new prison construction is as cost effective as possible. These actions include the use of Federal surplus property, the correctional "complex" approach, introduced last year, and the use of already proven designs and new construction techniques. The design of Federal correctional facilities and use of new security technology are also responsible for prison staffing requirements that are less than occur in most correctional systems.

Another area of prison system expansion which has proven cost effective for us is the use of surplus military facilities. We are working closely with the military regarding potential base realignments and closures. In addition, the Department of Defense has recently shown increased receptivity to the concept of establishing Federal Prison Camps on active military bases. This is an important development since this approach is a very cost-effective method of obtaining space for minimum security Federal offenders. Recently, Federal Prison Camps were established at Tyndall and Homestead Air Force Bases (AFB) and the Pensacola Naval Air Station (NAS) in Florida, Seymour Johnson AFB in North Carolina, the Army's Fort Bliss in Texas, Nellis AFB in Nevada and the Memphis NAS in Tennessee.

Modernization and Repair

Mr. Chairman, fifty percent of our prison facilities are over 30 years old, which is the normal expected useful life of buildings without major repair and renovation. As you can imagine, prison facilities are subjected to heavier than normal use. Failure to adequately maintain structures and utility systems erodes capital investment and multiplies the costs in future years for accomplishing the required maintenance and repair. For 1991, $83,629,000 is requested for the modernization and repair of existing Federal prison facilities.

Salaries and Expenses

In addition to the new construction funds required to continue our expansion program, the FY 1991 request also includes important resources to activate new institutions. Specifically, $49.6 million and 883 positions are required to open two new medium security Federal Correctional Institutions and twelve expansion projects at existing prisons. In total, these projects will bring 3,315 prison beds "on-line" during FY 1991.

We are also requesting $25.5 million to support a projected increase of 6,050 in the inmate population in 1991, from 56,400 to 62,450.

Staffing Existing Institutions

Operating the Federal Prison System at more than 67 percent over its design capacity without commensurate personnel increases has placed severe demands on staff. Prison overcrowding is commonly related to an increased potential for inmate idleness, inmate violence and inmate litigation. Insufficient staffing can seriously compromise the security of our Federal prisons, endangering life and property. Recognizing this, the President requested and the Congress approved an additional 1,600 positions in 1989 and 1,500 positions in 1990 to continue to improve staffing in critically understaffed programs for which workload has increased in direct proportion to increases in inmate population. The FY 1991 budget includes 4,000 positions for this purpose. Within this staffing level, special emphasis will be given to health services, drug abuse treatment, inmate literacy and human resources.

Health Services

Current staffing levels are not sufficient to meet the increased demand for medical services brought about by the rapid inmate population growth. With projected continued growth in the population, medical services staffing will be increased systemwide to provide adequate levels of medical care. In addition, resources are requested to construct a long-term nursing facility to address specific care requirements of an aging population.

Drug Treatment

As I noted earlier, approximately 50 percent of the inmate population is incarcerated for drug offenses and the number of offenders with serious drug abuse histories is even greater. The recent anti-drug abuse statutes assure that these numbers will continue to grow and that offenders will be incarcerated for significantly longer periods of time. To enhance program capabilities for successful intervention, the Bureau will add specialized staff to implement a three-part treatment system consisting of eight to ten "intensive" treatment programs for approximately 1,000 inmates; a larger "low-intensity" educational program for approximately 2,000 inmates; and a network of pre-release aftercare treatment contracts.

Inmate Literacy

Approximately 15,000 inmates in the Federal Prison System do not have a GED, which is essentially the standard for literacy in the workplace. Most of these inmates are not enrolled in a GED program. Of 7,300 offenders withdrawing from the Adult Basic Education Program in 1988, most will probably be released without basic literacy skills. With the additional staff and resources requested to increase the mandatory literacy period from 90 to 120 days, we estimate an additional 5,000 literacy completions will be generated annually. If an ex-offender cannot compete effectively in the job market, he/she more than likely will return to a life of crime.

Human Resources

With the Federal inmate population and the number of prison facilities projected to double by the end of 1995, the recruiting, staffing, staff training and development requirements for the Bureau are truly staggering. The Bureau must begin now to acquire

Federal Prison System

Federal Prison Industries, Incorporated

Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-Years	Amount
1990 Estimates as requested	1,442	1,404	$359,458
Adjustments to base:			
Mandatory increases:			
Annualization of 1990 positions	...	38	...
Senior Executive Service increase	...	...	27
Additional Compensatory Day	...	...	221
1989 Full-year pay increase impact on 1990	...	...	2,243
Within-grade increases	...	...	311
Health benefits	...	...	423
Federal Employees Retirement System	...	...	77
Federal Employees' Compensation Act (FECA) Unemployment Compensation	...	...	30
General pricing level adjustment	...	...	9,132
Total increases	...	38	12,464
Decreases:			
Federal Employees' Compensation Act (FECA) Workers' Compensation	...	...	(12)
Federal Telephone System (FTS)	...	...	(74)
Total decreases	...	...	(86)
1991 Base	1,442	1,442	371,836
Program Changes:			
Cost of Production	60	25	5,513
Buildings and Improvements	...	...	10,657
Machinery and Equipment	...	...	(897)
Other Expenses	...	...	2,081
Administrative Expenses	...	...	310
1991 Estimate	1,482	1,467	389,500

the staff resources to plan and implement the recruiting, training and staff development systems that will insure the existence of an ample pool of experienced and competent personnel to meet the substantial managerial and staffing demands resulting from this rapid growth.

Community Corrections

The Bureau of Prisons continues to expand the use of Community Corrections. In 1989, 957 inmates, serving sentences in a Community Correctional Center, had their parole date advanced up to 60 days and were released with a special supervision of home curfew.

In addition, a pilot program called the Community Control Program was implemented in two districts, southern Florida and central California. Under this program, inmates who are eligible for a Community Corrections Center have their parole date advanced up to 180 days and go directly into the community upon release from prison, where they are monitored electronically by the U.S. Probation Office. The 1991 budget includes $1 million to expand electronic monitoring.

Federal Prison Industries

The next item I would like to discuss, Mr. Chairman, which merits emphasis is Federal Prison Industries, Inc. (FPI). As you know, FPI is not only a wholly-owned Government corporation, manufacturing and selling a variety of products to Federal agencies, it is also a correctional program vitally important to the effective management and operation of our prisons. The ability to keep increasing numbers of inmates employed and productive has been a critical factor in our ability to successfully manage prison overcrowding. In this context, it is essential that the Corporation retain its mandatory source status. Without its mandatory source status, FPI would be unable to maintain the required level of sales to support the ever increasing inmate employment requirements. Inmate idleness would increase, creating the potential for inmate unrest and violence, posing a threat to staff and the community. The Bureau of Prisons would have no choice but to request appropriated funds for alternative programs to occupy inmates' time.

National Institute of Corrections

Finally, Mr. Chairman, I want to note that the National Institute of Corrections continues its role as an important force for improvements in State and local correctional agencies through its training and technical assistance services. The Institute's

National Academy of Corrections has trained thousands of correctional officers and administrators from all over the nation. The Institute has retained its effectiveness partly because it has remained small and is able to respond directly and promptly to State and local needs. For 1991, we are requesting $10,007,000 and 53 positions for the Institute.

This concludes my prepared statement Mr. Chairman and I would be pleased to answer any questions you or your colleagues may have.

OPENING STATEMENT

Mr. QUINLAN. Thank you very much, Mr. Chairman.

The Bureau of Prisons' budget for fiscal year 1991 basically continues the theme of recent fiscal years, which is the expansion of the capacity of the Federal Prison System. We are trying to keep pace with the expected growth in the Federal inmate population over the next several years. Also, this budget requests additional resources for the implementation of programs in drug treatment, inmate literacy, medical services, and to address critical staff development issues, as well as rehabilitation and modernization of institutions.

PRISON POPULATION

The Bureau's population is now over 55,000 Federal prisoners, up over 8,200 during 1989, an 18 percent increase. This increase was due to a continuation of the initiatives of the law enforcement components of the Federal criminal justice system, implementation of the U.S. Sentencing Commission's sentencing guidelines, as well as new legislation, which has been enacted by the Congress over the past several years. The percentage of drug offenders has now reached almost 50 percent of the Federal inmate population, and that is up from 1980 when it was only 25 percent. So, the percentage of drug offenders has doubled.

In the fiscal year 1990 budget our population projection for 1995 was 83,500. Our FY 1991 budget reflects a 95,100 population projection for 1995. The major driving force for the increase is the implementation of the 1988 Anti-Drug Abuse Act. We think that 95,100 is somewhat conservative, since it is premised on information we received from the March 1989 judicial conference's, low growth scenario.

Also, it does not factor in any new initiatives that the Administration might be successful in having enacted in the area of firearm penalties enhancements or plea bargaining arrangements, and it does not factor in any of the added priorities that the Bureau of Prisons is going to be taking on as a result of efforts in the area of new detention initiatives, which further helped the U.S. Marshals Service with their problem of finding suitable bed space in local jails.

We have brought on line 8,800 beds since 1981, and we are funded for almost 33,000 additional beds, so that we hope to continue on our track of reducing our overcrowding by 1995 to 130 percent of capacity. It is currently 167 percent of capacity.

INSTITUTIONS UNDER CONSTRUCTION

We have five institutions under construction in Fairton, New Jersey; Minersville, Pennsylvania; Jesup, Georgia; Manchester, Kentucky; and Three Rivers, Texas. Plus we have institutions under design in Estill, South Carolina; Cumberland, Maryland; Guaynabo, Puerto Rico; Brooklyn, New York; and Miami, Florida. We also have two Federal prison complexes in development, one in Canyon City, Colorado and one in Allenwood, Pennsylvania.

CAPACITY EXPANSION

The 1991 budget requests $288.5 million for the addition of 6,175 beds to our capacity; 4,925 of those beds would be for sentenced offenders, including a complex, a long-term nursing unit, expansion of six existing institutions, and conversion of existing military bases or other surplus facilities into minimum security facilities.

The budget also requests funding for 1,250 detention beds at seven of our existing correctional institutions, for construction of additional housing units at those facilities.

We are also continuing to work closely with the Parole Commission and the U.S. Probation Service to expand the number of community sanctions so that we can meet the needs of the Federal criminal justice system in the most cost-effective way. We are also continuing to work with the military, with regard to the Base Closure Act, as well as with the Commission on Alternative Utilization of Military Facilities that was created as a result of the 1988 Drug Act.

Also in terms of cost efficiency, we are now building a number of new institutions as part of our prison complexes, taking advantage of economics of scale. Finally, we are continuing to look for surplus property whenever possible to build our institutions.

MODERNIZATION AND REPAIR

The 1991 budget also asks for resources, approximately $63 million, to modernize and repair existing institutions. Over 50 percent of our institutions are 30 years old or older, and they are getting more than normal use because of overcrowding. It is important that we keep them in good repair through these modernization efforts.

The 1991 activations also asks for $49.6 million to activate new institutions that were funded in previous fiscal year construction appropriations. We hope to open two new Federal Correctional Institutions, plus 12 housing units at existing institutions. The funded prison population level would be increased by 6,050 inmates, up to a total of 62,450 for fiscal year 1991.

STAFFING INCREASES

One of the key ingredients in the 1991 budget request, Mr. Chairman, and Members of the subcommittee, is the increase in staffing for the Bureau of Prisons. We have grown over the last ten years, but our staffing has not really kept pace with our growth in numbers of inmates. We would like to see some tremendous increases in that area, because of the importance of keeping down inmate idleness and also reducing the possibility of inmate violence and litigation.

The areas that we are particularly focusing on would be medical services, where we are seeing an aging of the Federal inmate population as well as an increase in the need for medical care because of AIDS and other issues.

We would also like to see an increase in our staffing in the area of drug treatment. We are now finding that over 40 percent of our prisoners, which is over 22,000 today, have serious to moderately serious drug addiction or substance abuse problems. These are problems that existed prior to their incarceration. They do not continue their drug abuse while in custody, because our drug testing program is very extensive. We did 62,000 drug tests last year and only 2.1 percent of those tests were positive.

Our drug treatment program would be focused in three areas. A low-intensity education program for 2,000 inmates, a very intensive program for 1,000 prisoners, and a network of aftercare drug treatment programs.

INMATE LITERACY

In the literacy area, we hope to be able to increase our ability to reduce the number of prisoners who leave our system without having the ability to read and write at the eighth grade level. We propose to improve inmate literacy by having prisoners complete 120 days of classes rather than the 90 mandatory days of classes that are now required.

CURFEW PAROLE

Also I wanted to mention that we are continuing the curfew parole program, in 1989. With the Parole Commission's cooperation, we were able to release 957 prisoners into the community up to 60 days early by advancing parole dates, if warranted. These releasees were placed in a home detention program.

ELECTRONIC MONITORING

We also have two pilot programs using electronic monitoring in central California and southern Florida that are working very well. We hope to expand electronic monitoring in 1991 to 10 additional districts.

FEDERAL PRISON INDUSTRIES

I would also like to mention, Mr. Chairman, that we continue to have a critical need for the Federal Prison Industries programs. In fact, we are very dependent on this vitally important program. Federal Prison Industries currently employs almost 14,000 of the 55,000 inmates. We desperately need the support of that program. As you probably remember, we faced a major challenge in the Senate last year over the mandatory source status for Federal Prison Industries. I want to report to the committee that we were successful in keeping the mandatory source status and that we must maintain that mandatory source status in the future if we are to continue to be effective and to continue to serve the needs of inmates in the Federal Prison System, especially in the future where we will be growing very quickly.

NATIONAL INSTITUTE OF CORRECTIONS

As I mentioned, Wayne Huggins is now responsible for the National Institute of Corrections. Funding for the Institute would be continued in this budget at a level of $10,007,000. These resources support State and local training and technical assistance needs, providing a very important and valuable service to the State and local governments.

That concludes the summary of my statement, Mr. Chairman. If there are any questions from you or the Committee, I would be delighted to try to respond to them.

Mr. EARLY. Thank you for your candid statement, Mr. Quinlan. I want to welcome you and Mr. Houk, and also Mr. Huggins, who is a new director in a very challenging position.

Mr. Quinlan, I have said it before and I want to say it again—in my view, the finest run Federal agency is the Bureau of Prisons.

Mr. QUINLAN. Thank you very much.

RAPID GROWTH

Mr. EARLY. However, your statement is very disconcerting. We look for growth all the time, but two things we don't want to grow are waistlines and prisons. The Bureau is building new prisons in New Jersey, Georgia, Pennsylvania, Texas, and Kentucky, right now. We have to find some alternatives. We can't continue on the route you are going, and there is no way you are going to maintain the quality management you have now, Mr. Quinlan, with the numbers you have given us. There are 55,000 inmates today, but the capacity is 32,500; that is 67 percent overcrowded. And you are projecting 95,000 inmates by 1995.

Fifty-two percent of the Bureau's buildings are over 30 years old. Also alarming to me is that in 1980, 25 percent of your prisoners were incarcerated for drug related offenses and today 50 percent are in this category. That is a change in the population; it is not going to be much different from local and state prisons. It is going to be difficult to maintain the quality of the work force, Mr. Quinlan.

Mr. QUINLAN. I know, Mr. Chairman. Our top goals are to maintain sufficient bed space for the prisoners as they come in to the system, and to maintain the quality of workforce that we have been successful in attracting in the Bureau of Prisons over the past 60 years. We are working very hard, and thus far I would like to report to you that we have been successful in a modest sort of way. I appreciate your kind comments very much. We have maintained our efficiencies and our quality of service because of the staff of the Bureau of Prisons, all 17,000 strong, who have made a commitment to perform their duties in an outstanding way. We couldn't do without them.

Mr. EARLY. I have also been pleased, Mr. Quinlan, with the cooperation among the Bureau of Prisons, the Parole Comission, probation and the Marshal's Office. I have said that they are interrelated and they need each other, because they certainly do. In the area of alternatives, you have requested a million dollars for electronic monitoring of up to 250 prisoners to help you reduce overcrowding in the prisons. Are these 250 prisoners the total number involved in the program?

Mr. QUINLAN. I would have to check on that, Mr. Chairman.

Mr. EARLY. Would you check and provide the answer for the record?

Mr. QUINLAN. Yes, absolutely.

[The information follows:]

ELECTRONIC MONITORING PROGRAM

The Bureau of Prisons currently has 69 prisoners participating in the electronic monitoring program. The requested $1 million in FY 1991 will allow an additional 250 inmates to participate in the program.

ELECTRONIC MONITORING PARTICIPANTS

Mr. **EARLY**. I have several other questions on that——

Mr. **QUINLAN**. Mr. Chairman, if I could just add one other point with regard to electronic monitoring. We are cautiously optimistic about the electronic monitoring program. We are being selective of who we put in there. Also we don't want to place people into the program who could be at home without any electronic device. We are taking some risks, but we are taking cautious risks.

I was recently informed that one of the other jurisdictions, not a Federal jurisdiction, has been using electronic monitoring in a much more progressive way, and they are finding that 13 percent of their prisoners are escaping. Our experience is to the contrary. No one in the Federal electronic monitoring program has escaped.

Now, there have been some technical violations, such as positive urinalysis tests, and things of that nature that result in removal from the program. These inmates are transferred back to a Federal prison. We are moving ahead cautiously. That is why only $1 million is requested in this year.

Mr. **EARLY**. Doesn't that tell you, Mr. Quinlan, that it is not the program but the administrators of the program. Let's look at some other alternatives. I have a number of specific questions but I will stay within my ten minutes and then yield to Mr. Rogers and Mr. Regula.

For alternatives, electronic monitoring just doesn't seem to be enough. I think you've got a tough sell, not only with prisons, but also with parole and probation. Over the 14 years that I have been on this committee, it has heard the Bureau of Prisons talk about making greater use of military facilities. It started with Fort Dix, you know. So I am looking for—the committee is looking for greater use of military installations such as where bases have been closed, and you mentioned that.

PRIVATIZATION

But have we looked at other options. I know that Alaska wanted to build a prison and lease it back to the Bureau, and I think Ohio considered it. Working with cities, towns and states, seems to be an alternative to the Bureau building them, Mr. Quinlan.

Mr. **QUINLAN**. I agree, Mr. Chairman. The fact is that we are encouraging the people in Horton, Kansas who are in the process now of building a speculative medium security institution. The staff in that facility will be hired by the municipality, and any profits will accrue to the municipality. I think that is an ideal situation for privatization. There, unfortunately, have not yet appeared on the horizon that many communities that want to enter into this as a speculative venture. But I agree with you.

USE OF MILITARY BASES FOR PRISONS

Mr. **Early**. I have a lot of reservations about consultants and the "rent-a-cop", "rent-a-prison", "rent-a-program", but we would look at Alaska. No one wants to look into Alaska, but that town wanted to build and lease back to the Bureau, and that is where you could put a maximum security facility if they wanted to build it.

Now, Mr. Quinlan, I think we have to supplant expenses on this. The military has all types of expenditures. We are telling the military to cut their spending, and we are going to cut it drastically. However we don't want to reduce the military force all at once. I have suggested having the military manage some of the prisons.

Let me ask the question in a different way. Are there Federal prisons—excuse me, Defense Federal prisons,—is there something that can be done here—Leavenworth and those type of prisons? I have had my staff inquire as to how many we have. Would it be possible to think of leasing space for the Bureau if there are military prisons that are not being used? The personnel are definitely well trained. Might the Bureau be able to lease space from the military to house 10,000 of the Bureau's prisoners, since the Bureau can't acquire all the closed bases? Could something like that be done?

Mr. **Quinlan**. Well, what we are doing, Mr. Chairman, is working with the military. In fact, I have a meeting in the next week or so with Assistant Secretary of the Army, Susan Livingstone, on possibly using underutilized military brigs for Federal prisoners. I think there probably will be surplus capacity in military brigs, particularly as the military force in this country becomes smaller. I think that there are some opportunities for us, and I assure you we will pursue it.

Mr. **Early**. We have been talking about that, Mr. Quinlan, for a long time, and you have been pursuing it, no question. My suggestion, though, is a little different today. We are in a dire emergency with prisons. Let's use Leavenworth as an example. Do you know how big a prison that is?

Mr. **Quinlan**. I think the capacity is 2,000 prisoners. The facility is housing above 1,700 prisoners.

Mr. **Early**. Even if it has 1,700, it is 300 under capacity, the Bureaus' facilities are 67 percent overcrowded. There must be other facilities like that. Why can't the Bureau rent those 300 spaces in Leavenworth and send 300 of its prisoners there?

Mr. **Quinlan**. I will pursue that with the military. My expectation, though, would be, Mr. Chairman, that they would be hesitant, because of posse comitatus, to take over any civilian law enforcement responsibilities. However, I think through our scheduled meetings with the military, there will be some merger of resources with some vacant space made available to the Bureau of Prisons. I am very optimistic that this can occur within the next six months.

Mr. **Early**. When I spoke to General Westmoreland 10, 15 years ago, he said, like a typical general, "Oh, we are in the business of national defense." This is a national emergency. Something has to be done.

Mr. **Quinlan**. Absolutely.

Mr. **Early**. So I wish you would pursue it and let the committee know what you do.

Mr. **Quinlan**. I assure you, we will. Absolutely.

Mr. **Early**. We should try to obtain from Defense its unused bed space. Although posse comitatus does pose a problem, this should be explored.

Mr. **Quinlan**. Yes. I think efforts have been made by the Department of Defense to try to find out how they can help the Federal drug initiative. I think their efforts in this regard most recently with Assistant Secretary Livingstone, are indicative of that progress. So I am optimistic.

Mr. **Early**. You are diplomatic. Defense doesn't want to give up anything. Now, because of the economics, it is being backed into it, and you might receive a different reception from them, I think the type of option where everyone would win. You say you have 22,000 drug addicted prisoners?

Mr. **Quinlan**. They come to us, Mr. Chairman, with substance abuse addiction. When they are on the street, they have access to alcohol and drugs, and they are addicted. In prison, they don't have the availability of those commodities, but they maintain psychological addictions. The psychologists and psychiatrists tell us that when they get back into the community where the drug is available, whether it is alcohol or drugs, they will resume use. They will go right back into using them. That is why we try to intercede while they are in our institution and try to break that addiction habit.

Mr. **Early**. I see a different problem with the individual that sells drugs for money than the person that sells drugs because he or she is addicted. We should have prison hospitals for the latter. Do we have enough of these facilities for this type of prisoner.

Mr. **Quinlan**. We are moving ahead rapidly, Mr. Chairman, on this problem.

MEDICAL COSTS

Mr. **Early**. I see no request for any money in here to buy any hospitals.

Mr. **Quinlan**. There is a request in this budget for some long-term nursing beds, 300 long-term nursing beds. We have sufficient hospital space for the next couple of fiscal years. However, if we see an opportunity on one of the base closures or if we can find a surplus military or underutilized Public Health Service hospital, we will attempt to acquire it, because in the long term we would probably need more medical beds.

DETENTION

Mr. **Early**. Mr. Quinlan, it is not totally your area but the Marshals testified last week. To bring a prisoner to federal court in the city of Boston, the marshal has to go down to Danbury, Connecticut where the prisoner is being held. That's four hours travel down, and four hours back. We don't have that luxury anymore. Why don't—and this will irritate people in my district and other districts—why don't we use Pease Air Force Base, which we are closing, Fort Devens, that is in my district, or Westover, for example, to hold these prisoners. We can't keep going with this type of cost for justice system, can we?

Mr. QUINLAN. I agree, Mr. Chairman, there is a very serious detention problem in the Northeast particularly. We have attempted to identify surplus or underutilized military space in the New England area. Up until now, the military has not been able to come up with any surplus space. But, I agree we have got to find a solution. There has just got to be a solution.

Mr. EARLY. You said the military has not been able to, perhaps they don't want to. The other day, the Marshals office told Mr. Rogers and me about a marshal in D.C. who has to transport ten prisoners at a time. Well, no one can take care of ten prisoners at a time, back and forth. They don't have the money to improve the situation. Probation, Parole, the Bureau of Prisons and the Marshals Office needs practical solutions.

We need alternatives you are projecting 95,000 prisoners in five years.

I am going to yield to Mr. Rogers.

Mr. QUINLAN. Thank you, Mr. Chairman.

Mr. ROGERS. Thank you, Mr. Chairman.

Director Quinlan, good to see you and your staff.

Mr. QUINLAN. Good to see you, sir.

POPULATION PROJECTIONS

Mr. ROGERS. Let me repeat Acting Chairman Early's comments about your operation being one of the best-run Federal agencies. I have to agree with that. Plus, you have some of the biggest headaches that our society has to deal with.

Now, last year when you came here, you were predicting that in 1995 that you would have 83,500 prisoners, and now you are saying this year that you will have 95,000. That is a 12,000 or so change in projections in just one year.

Mr. QUINLAN. Yes, sir.

Mr. ROGERS. What has happened, then?

Mr. QUINLAN. Well, the major thing that happened, Congressman Rogers, was the enactment of the 1988 Anti-Drug Abuse Bill. That legislation, along with the availability of new information from the U.S. Sentencing Commission on the impact of the recently implemented sentencing guidelines, was calculated into the new estimate of 95,100 number. But the bulk of the increase, I believe, is due to enactment of the law.

Mr. ROGERS. And so we are going to have 12,000 or so more prisoners in 1995 because of the sentencing guidelines, primarily?

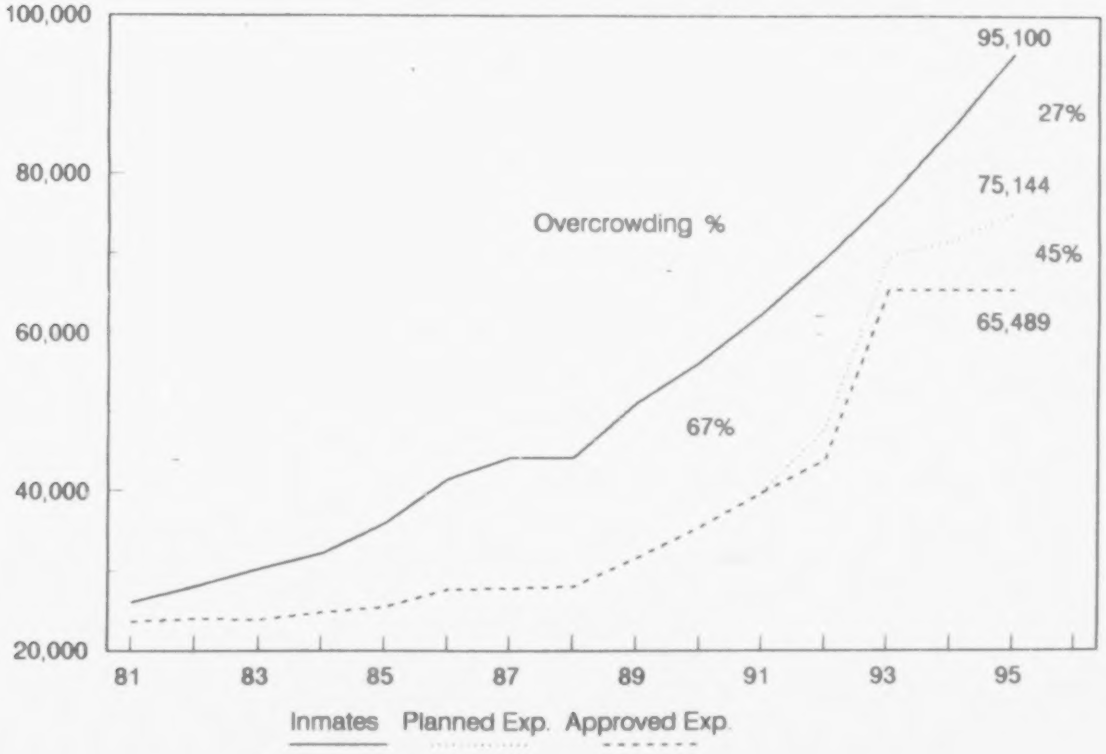
Mr. QUINLAN. Primarily, because of the 1988 Anti-Drug Abuse Act and the sentencing guidelines, yes, sir.

Mr. ROGERS. Well, now, since it takes three years to actually activate a prison, from the point when the environmental impact statement is done, and we have to prepare for another 12,000 prisoners in 1995, then how we fund prison construction in fiscal years 1991 and 1992 is absolutely critical to handling the population expected in 1995, isn't it?

Mr. QUINLAN. It is very critical, you are right.

Mr. ROGERS. So the time is upon us to fish or cut bait, is it not?

Comparison of Projected Inmate Population with Approved and Planned Capacity Expansion



Mr. **Quinlan**. We have been getting a lot of support from this Committee, the Congress and the Administration to expand the capacity of the Federal Bureau of Prisons. We have currently funded, but not yet operational, almost 33,000 additional beds. But when you look at the 95,100 projection, and our goal of trying to reduce the overcrowding level down to a more manageable level of 30 percent over design capacity, this year's request is also very critical.

Mr. **Rogers**. Well, is your request consistent with being no more than 30 percent overcrowded in 1995?

Mr. **Quinlan**. Yes, it is, Congressman.

BUILDINGS AND FACILITIES

Mr. **Rogers**. Well, I gather that the $374 million that you have asked for the Buildings and Facilities appropriation was certainly what you requested of OMB; is that correct?

Mr. **Quinlan**. That is correct.

Mr. **Rogers**. OMB gave you all that you requested?

Mr. **Quinlan**. They were very supportive. They have been very supportive.

Mr. **Rogers**. OMB gave you all that you wanted?

Mr. **Quinlan**. Basically they gave us everything we asked for, yes, sir.

PRISON POPULATION

Mr. **Rogers**. Now, can we expect even more increases in the prison population? Do you see any surprises laying out there future projections?

Mr. **Quinlan**. There are a couple of things, Congressman Rogers, that have yet to be fully factored in. If the Congress supports the Administration's request for tightening up of firearms and there are changes in the policy affecting plea bargaining arrangements, then that could potentially have an impact on our population. The other factor is that our projection is based on the Federal Judicial Conference's low growth scenario.

I want to assure you that as of today, this figure is still holding strong. I have no surprises to spring on you today or hopefully in the next several months.

Mr. **Rogers**. Do you see a scenario whereby we would not have the expected number of prisoners in 1995?

Mr. **Quinlan**. No, sir, I do not see that, unless prosecution policy dramatically changed with regard not only to drugs but also other Federal crimes.

PLEA BARGAINING POLICY

Mr. **Rogers**. You mentioned the change in policy on plea bargaining. What was that about?

Mr. **Quinlan**. I am not that familiar, Mr. Rogers, with that proposed change. I could get that for you and submit it for the record.

[The information follows:]

Restricting Plea Bargaining

An excerpt from page 3 of the President's outline of his Comprehensive Program to Combat Violent Crime, dated May 15, 1989 follows:

If our criminal justice system is to achieve its objective of ensuring that those who commit violent firearms offenses are held fully accountable for their actions, plea bargaining practices nationwide must be reformed. Too often, serious felons walk away from court after pleading guilty to minor offenses and misdemeanors because overburdened prosecutors have accepted plea agreements rather than going to trial. The lesser charges result in lesser sentences or probation and repeat offenders continue to beat the system. To speed an end to such plea bargaining:

1. The President directed the Attorney General to issue and fully implement guidelines for Federal prosecutors regarding plea bargaining under the Sentencing Reform Act to ensure that Federal charges always reflect both the seriousness of the defendant's conduct and the Department's commitment to statutory sentencing goals and procedures. This will ensure that Federal prosecutors seek minimum mandatory penalties for all violent firearms offenses.

2. The President urged State and local govenments to reform their plea bargaining and sentencing practices along similar lines and to devote increased resources to prosecutions.

Mr. ROGERS. Is there some change proposed in the plea bargaining area?

Mr. QUINLAN. I believe there is a proposed change that would lessen the availability of plea bargains on certain drug and violent crimes.

IMPACT OF LEGISLATION ON PRISON POPULATION

Mr. ROGERS. Well, your Bureau feels the impact of changes in the justice system. When Congress provides more judges and more prosecutors and more FBI, more DEA, more this, more that, and we convict the crooks, lock them up, many times the population forgets that we don't have space for them.

We have been beefing up the other links in the chain pretty heavily. I mean, there are hundreds of new Assistant U.S. Attorneys coming on this year; there are new proposed new Federal judgeships, and we are beefing up the FBI again and the DEA and the law whole enforcement community. You have taken all those factors into account in trying to predict population in 1995, have you not?

Mr. QUINLAN. Yes, we have.

Mr. ROGERS. How do you predict what the Congress is going to do?

Mr. QUINLAN. It is very difficult.

Mr. ROGERS. Maybe we should talk to you more.

Mr. QUINLAN. I think that is very important, when issues come up with regard to new criminal legislation, that we consider what impact it would have on the prison population, and that the resources be made available in the forthcoming fiscal year to deal with those increases.

Mr. ROGERS. Well, in trying to find that space, let me talk to you a minute or two about privatization. You contract with about 700 state and local and private providers to house certain subpopulations. And I gather those are pre-release inmates and maybe some inmates with shorter sentences, some juveniles, immigration detainees and that type of person. Could you tell us how that type of privatization is working out?

Number one, what percentage of your prisoners are in privatized or state or local agencies?

Mr. QUINLAN. None of the 55,000 prisoners that I mentioned in my opening remarks to the committee are in private facilities, but there are other Federal prisoners that the Bureau of Prisons is responsible for who are in private facilities.

I would mention first and foremost, approximately 3,500 of whom who are in community correctional centers, halfway houses. In addition, we have many, I think about 1,000 Federal prisoners who are in privately run-for-profit facilities. These include juveniles and short-term sentenced aliens.

We are also working on developing a privately-owned lease facility that we would operate. We are looking in the Oklahoma City area. This lease would be for a holdover facility, which is a facility where we house prisoners temporarily while they are in transit from one prison to another. This is something that we are looking for as a result of leasing authority that we received in the fiscal year 1990 budget.

In summary, Congressman Rogers, we probably have around, I would say 4,500 prisoners or so in private facilities.

Mr. ROGERS. That is where you contract with that separate agency to take care of your prisoners, correct?

Mr. QUINLAN. That is correct.

Mr. ROGERS. Now, we gave you leasing authority last year.

Mr. QUINLAN. That is correct.

Mr. ROGERS. How has that worked out?

Mr. QUINLAN. The request is in the developmental stage, but we are very optimistic that the Airport Authority at Will Rogers Airport in Oklahoma City will privately fund and build a holdover facility that we will lease, operate and use for Federal prisoners.

Mr. ROGERS. You will staff it?

Mr. QUINLAN. We will staff it.

Mr. ROGERS. You will simply pay them rent for your building?

Mr. QUINLAN. That is correct.

Mr. ROGERS. Are you doing that anywhere else now?

Mr. QUINLAN. No, Congressman. We had no authority to lease for that until this fiscal year. And I am reminded by Mr. Houk that the Senate in their appropriation committee report authorized us to only do one lease until we see how it works.

Mr. ROGERS. So you will have it when, this coming year?

Mr. QUINLAN. We hope certainly within the next 12 months.

Mr. ROGERS. That could offer some real potential for taking care of this shock load of prisoners, couldn't it?

Mr. QUINLAN. I think it can. I think that there are some economies that can be gained through the private sector, that will be able to build without following some of the Federal procurement rules that sometimes drive up the cost. These leased facilities should come on board quickly and cost-effectively.

Mr. ROGERS. Well, I know the state of Kentucky is doing that now; I think it have several prisons where it has contracted with private developers which built the facilities and the state leases them. In fact, there is one going up in my district just now, just announced, and they are going to be in operation in a matter of months. From day one to occupation is a matter of months, rather than years; and the likelihood is, it sounds like, they are going to do it cheaper than the government, so it is a bargain for the taxpayers, it appears.

Mr. **Regula**. Your facilities, are they minimum, moderate or maximum?

Mr. **Rogers**. I am not sure.

HOLDOVER FACILITY

Mr. **Regula**. And what is the definition of a holdover facility?

Mr. **Quinlan**. A holdover facility, Mr. Regula, is a facility that is solely designed for short term incarcerations, one night to seven nights instead of a traditional facility, which houses prisoners for an average of probably about five years.

The reason for the Oklahoma City location, I might point out, is that the U.S. Marshal Service operates a prisoner transportation network using Boeing 727 aircraft to transport prisoners long distances. Their aircraft are housed at Will Rogers Airport in Oklahoma City, so it would be very propitious to the Bureau of Prisons to have a facility right there. We currently use a facility about 25 miles away in El Reno, Oklahoma to house holdovers, but that facility is very much needed for medium security prisoners.

Mr. **Regula**. You bring them in——

Mr. **Quinlan**. We transport them in by bus and then the U.S. Marshals transport them out on their aircraft.

PRISON LEASING POLICY

Mr. **Rogers**. I am told by staff that the OMB does not like the leasing concept. Are you familiar with their attitude towards it?

Mr. **Quinlan**. Yes. While I hate to speak for OMB on that point, I am advised that OMB is concerned about the scoring of the long-term leasing costs. Their interpretation, I believe, is that the long-term lease cost has to be scored in the year in which the original appropriation is made.

Mr. **Rogers**. So assuming, under that understanding—let me see if I understand correctly. If you contracted with private industry to build a prison, and your lease payments let's say amount to $20 million, OMB would say in the year that you contracted for that prison, that all of the cost, $20 million, is scored in one year, the first year; is that right?

Mr. **Quinlan**. That is the way they have, up until now, interpreted it, but I understand that they have been talking to us about this issue. It may be possible to come to some sort of a compromise. But currently, they would score the entire $20 million in one fiscal year.

Mr. **Rogers**. Well, that would gain this subcommittee nothing then in terms of dollars.

Mr. **Quinlan**. Well, the fact is it would not gain the Bureau of Prisons anything. If we were to score the entire cost of the lease up front, we might be able to build three prisons in 1991 dollars with what the 20-year lease cost might be.

Mr. **Rogers**. Well, when you now build a prison over what, a three-year span of time, you stretch out those outlays over a three-year period.

Mr. **Quinlan**. That is correct.

Mr. **Rogers**. As far as scoring goes——

Mr. QUINLAN. The budget authority scoring is actually all done in the first year. However, obligations and outlays would be spread out over the life of the project.

Mr. ROGERS. Yes. The BA, that spends out over several years. So by this time next year, Mr. Director, do you think we will have a pretty good feel for how it is working out in Oklahoma?

Mr. QUINLAN. Oh, absolutely. We are moving ahead with the project, and I am very optimistic. I beleive they are very anxious to do this. They have already identified space for it. We are obviously anxious because it provides a tie-in with the U.S. Marshals' aircraft, which would be very desirable for us and the Marshals Service. It will save a lot of time and transportation costs. Security would be increased because we wouldn't have to transport the prisoners via buses from the 25-mile-away institution.

Mr. ROGERS. Well, maybe we can get the OMB to go out there and take a look at it and maybe spend four or five months inside looking at it.

Mr. QUINLAN. We are very optimistic that the OMB will agree so that we can come up with a solution that will help us and the committee and the Congress solve this tremendous budgetary crisis of trying to fund the expenditures for new institutions.

Mr. ROGERS. Well, I am going to wait until the second round. I think my 10 minutes will probably expire.

Mr. EARLY. We will have a trial, Mr. Quinlan. We will get six people from OMB and put them in prison for 12 month. Then we will let them report after the 12 months. That would be the way to do that.

A lot of people would suggest that they would be more entitled to be there than some of the others.

Mr. ROGERS. Are you suggesting that we do a study in that fashion?

Mr. EARLY. No. I am suggesting we put them there.

Mr. Regula?

Mr. REGULA. They would probably agree if you took six from Congress, too.

Mr. EARLY. That would be a fair match.

Mr. ROGERS. I would like to continue off the record.

[Off record discussion.]

Mr. REGULA. Thank you, Mr. Chairman.

OVERCROWDING

Mr. REGULA. I note you have 65 percent overcrowding. Would not overcrowding contine the tensions, and ultimately to the point that we see when we see riots in prisons? I don't think there have ever been any in the federal prisons, if I am not mistaken. They are pretty largely confined to state prisons.

Mr. QUINLAN. We have not, knock on wood, Mr. Regula, had any serious disturbances recently, but the potential for those kind of situations occurring is greatly enhanced by the level of overcrowding. Particularly in some of our institutions, I should point out, because they are more than 100 percent over design capacity.

Those institutions are sometimes a tinderbox, because you have situations where the program areas were designed for, let's say, 500, but you have 1,000 people. The lines waiting for different programs are much longer. People could get agitated if it is a hot day, or if it is raining or cold. And so, you know, the potential for problems is there.

We have been successful through good management practices and good staff dedication to manage our institutions even with high overcrowding.

ESCAPES

Mr. **Regula**. What is your experience on break-outs? It must be very minimal.

Mr. **Quinlan**. Our experience on break-outs is fairly good.

I should mention, Mr. Regula, that we have a classification system in the Bureau of Prisons that allows us to divide our prisons into six security categories. The lowest category is minimum security and the highest is the maximum security U.S. penitentiary in Marion, Illinois.

In secure facilities, which have a fence around them, level two through level six, there are very few, if any, escapes.

In the level one facilities, we have on average about two escapes per week. There are walk-a-ways in minimum security facilities.

Mr. **Regula**. These would be white collar crimes?

Mr. **Quinlan**. Yes, some are white collar criminals.

We had a situation this weekend at the Atlanta camp, an inmate walked away. He did not qualify for a furlough to attend his mother's funeral. He left anyway, came back Monday morning. But he did escape.

RECIDIVISM

Mr. **Regula**. What have you done any tests on the element of recidivism? What does your empirical data show on that issue?

Mr. **Quinlan**. The data is very, very consistent.

Over, I think, 20 years of research that has been done on Federal offenders shows that 40 percent of the offenders that we release will be back in custody in three years.

Now, that statistic is not that different from the recidivism rates that have been studied at state institutions. One thing we find is a true predictor of better chance at being able to stay out of prison is aging.

As the population gets older, as people get up into the mid to late thirties, recidivism rates decline markedly.

Mr. **Regula**. Do you make any attempt in assigning prisoners to get them as close to families as possible on the assumption that family visits would contribute, perhaps to some measure, in avoiding recidivisms?

Mr. **Quinlan**. Absolutely. That is one of our underlying premises to place offenders in the most appropriate institution from a security perspective, that is closest to their home.

Unfortunately, Congressman Regula, you know, that does not always work out. The closest institution may, in fact, be 100 percent over-capacity and we may have to send someone further away. But our goal is to keep them as close to home as possible.

Another complicated factor is if there is a prisoner in the nearest institution who the inmate must be separated from, then we will move him to another facility.

INMATE LITERACY

Mr. Regula. In your facilities, do you try to offer educational opportunities that will hopefully make them productive?

You mentioned literacy in your statement—that will give them some potential measure for succeeding in a legitimate pursuit?

Mr. Quinlan. Absolutely.

We have a number of educational programs. We offer Adult Basic Education, which is basically grammar school, to every sentenced offender who comes in who can't read and write at the eighth grade level. Adult Basic Education is the only mandatory program that we offer other than work. They must attend this program for 90 days.

As mentioned in my statement, we propose to increase the Adult Basic Education period to 120 days. If the Committee would agree or the Congress would agree on our request.

Those inmates who don't complete that level in 90 days are encouraged to stay beyond that time. However, if they don't chose to do so, we don't require them to.

We also have, in addition to the adult basic program, a high school equivalency program and we offer some college courses.

We also have an extensive array of vocational training programs. Some institutions have as many as 15 different vocational training programs. Program availability depends on the type of institution and the length of time that the prisoners are going to be there.

We are working very hard to try to give inmates the skills that they need to survive in a civilian society when they are released. Many times the offenders choose not to take advantage of it.

Mr. Regula. I was going to say do you have any percentage on how many participate in the self-improvement programs?

Mr. Quinlan. I would have to provide that for the record, Congressman Regula. I do not know.

[The information follows:]

JOINTLY RUN CORRECTIONAL FACILITIES

Mr. REGULA. Do you have any experience with building joint facilities with a state system, for example? I don't mean share the full building, but rather share the location, thinking in terms of maybe they would be better, maybe bus access and utilization parking utilities, et cetera?

Mr. QUINLAN. We have constructed Federal prisons near State facilities in a number of places. It has been more coincidental though, than deliberate. I am thinking primarily of the facilities in New York at Ray Brook and also at Otisville, where there are State prisons adjacent to our facilities which makes it more convenient, as you say. Bus transportation, hotel accommodations and other support services are improved.

Also one of our new Federal prison complexes will be built in Canyon City, Colorado, which is near by a State prison complex. This was again not necessarily by design. We didn't go out there specifically looking to locate close to a State prison. However, it is conducive to allowing the families of the offenders to maximize their chances for getting public transportation or other kinds of local services that would support them.

REHABILITATION

Mr. REGULA. Has the thrust of the prison system shifted to more rehabilitation in recent years than was true in earlier years?

Mr. QUINLAN. Well, rehabilitation is a term that has somewhat been misinterpreted over the years. We still feel that it is very difficult to make people become rehabilitated. They have to make voluntary decision to change.

What we have done in the Bureau of Prisons over the last couple of years is really expand the opportunities for rehabilitation. For example, through the drug treatment initiative and the literacy initiatives—we believe that through offering good programs, as well as motivating and guiding people as strongly as we can, we established the best chance of having them choose viable and worthwhile endeavors.

I am really encouraged, particularly with the drug treatment program, Congressman Regula. We believe we have designed and will be implementing, with the help of the Congress, in the next fiscal year one of the best, if not the best, drug treatment program for offenders in the country.

The fact is, the National Institute of Drug Abuse is so excited about what we are embarking on, that they have given us some feedback that we are on the cutting edge of drug treatment in the country.

RECIDIVISM RATE

Mr. REGULA. Does your recidivisms rate compare to, let's say, the state prison systems around the country? Do we get a different type of prisoner, I guess I am really asking?

Mr. QUINLAN. We do get a different type of offender.

Our offenders for the most part are older. The average offender is 37 years old, and has four felony convictions on his or her record.

State offenders on average probably are in their early twenties, and probably only have one or two prior convictions.

Mr. **Regula**. So their pattern of activity changes as they get older?

Mr. **Quinlan**. Well, what we have found is that Federal offenders have graduated up to the more sophisticated crimes. The Federal crimes that people are prosecuted for require a great deal more sophistication in many cases.

These crimes include high stake drug conspiracies—50 percent of our population was committed for drug offenses. These are not your average criminal who knocks over liquor stores or rapes or robs. These are people who are out to make millions of dollars. They steal from people's wallets, I suppose, through drugs.

Mr. **Regula**. Very interesting.

I will submit the rest of my questions for the record.

CHANGES IN FEDERAL PRISONS

Mr. **Early**. Mr. Quinlan, I think Mr. Regula's last question really indicates the change that the prison system is going through. In your statement you tell us that in 1980, 25 percent of the prisoners were incarcerated for drug related offenses; today it is 50 percent and it is going to go much higher.

You are going to be like the local or state prison unless you change.

Mr. **Quinlan**. That is very possible.

Mr. **Early**. Chairman Smith has asked that our good friend and colleague on the Appropriations Committee, Mr. Lehman, be allowed to ask some questions, and submit some for the record.

Congressman Lehman?

Mr. **Lehman**. Thank you, Mr. Chairman, and I want to thank Mr. Quinlan, and also Mr. Wade Houk who came and met with us previously about this problem that I am going to talk about today.

I have six questions.

The first question I am going to put into the record.

MILITARY BASE CLOSURES

And the second question, last week the Assistant Secretary of the Defense for Base Closures and the Appropriations Subcommittee on Military Construction told me during a hearing that DOD has identified for the Bureau of Prisons certain sites to temporarily relieve overcrowding.

DOD is waiting to hear back from the Bureau. Are you familiar with this effort and could you tell me whether you will take advantage of any of the sites identified by DOD?

Mr. **Quinlan**. Congressman Lehman, is that part of the base closures initiative or part of the Commission on Alternative Utilization of Military Facilities? These are two different initiatives.

Mr. **Lehman**. Well, you can deal with both of them, because some of it can be joint use, and others can be base closures where you would be able to use these bases entirely or partially for drug rehabilitation or whatever.

Mr. **Quinlan**. We have several initiatives that we have currently ongoing with the military.

INMATE PARTICIPATION IN EDUCATION PROGRAMS

Actuals (1988-1989) and estimated (1990-1991) enrollments of inmates in education programs are presented below. Percent of completions is provided in parenthesis.

ENROLLMENTS	1988	1989	1990	1991
Adult basic education	17,614(48%)	17,716(57%)	19,664(57%)	21,828(57%)
Adult continuing education	12,425(77%)	17,460(84%)	19,380(84%)	21,512(84%)
General education development	5,048(48%)	6,336(45%)	7,336(45%)	7,807(45%)
Post secondary education	9,213(66%)	10,877(77%)	12,073(77%)	13,402(77%)
Occupational education	14,615(62%)	17,195(65%)	19,086(65%)	21,186(65%)
English as a second language	3,096(35%)	4,533(33%)	5,032(33%)	5,585(33%)

The first one is the base closures initiative which would hopefully result in the transfer to the Bureau of Prisons of land over time for the construction of new prisons or land and structures for conversion to minimum security Federal prisons.

There are 95 bases on the base closures list, and most of them will not start to close until later years. We have targeted some of those bases which are in those geographic areas where we have a need for additional capacity.

Unfortunately, to our knowledge, there are none of the 95 bases that have been identified that have existing brigs or correctional facilities that can be easily converted to Federal Bureau of Prisons medium security housing needs. Unfortunately, they would be useful only for minimum security.

On the Commission on Alternative Utilization of Military Facilities on which I serve, there have been a number of buildings and pieces of land identified, including up to 5,000 buildings and/or pieces of land with potential conversion to minimum security Federal prisons. This was required by the 1988 Drug Abuse Act, and the military has been very cooperative in identifying these 5,000 facilities.

But there are also two other competing uses for surplus military facilities. One is for the homeless and one is drug treatment programs.

The third initiative that we are working on with the military, which I mentioned earlier to the Chairman and members of the Committee, is an initiative with the Department of Defense to possibly use some of their underutilized military brig space for Federal prisons. That is something that I am meeting in the next week or so with the Assistant Secretary of the Army, Susan Livingstone, to try to pursue.

Mr. LEHMAN. Without belaboring the point state and federal prisons are overcrowded, and military bases are going to be less used. Federal prisons can provide alternatives for communities that are going to be economically hard hit by base closures, so you have a way to cushion some of the fallout.

Mr. QUINLAN. Absolutely.

Mr. LEHMAN. Would you support efforts to grant priority use of military-based-prisons—I might add that in some of the joint uses, you can use minimum security prisons to do creative and helpful work on the prison bases themselves?

Mr. QUINLAN. Absolutely.

In fact, we have done that for a number of years in Florida and Alabama.

We now have over 20 military bases around the country where we have prisoners either on active or deactivated bases. About 20 military bases are being used.

I agree that it is a good idea that the Federal Bureau of Prisons be given priority. The fact is we are one of the highest ranking agencies in terms of priority for base closure land and facilties.

The States are also given priority. However, as a result of the base closures legislation, their priority is lower than the Federal Bureau of Prisons. The States also can acquire the space.

Mr. LEHMAN. And fourth, for the record, Mr. Quinlan.

STATE AND LOCAL ACQUISITION OF CLOSED MILITARY BASES

And five, if state and local governments are interested in obtaining closed military bases to use for prisons, would their requests be transferred to the Department of Defense through your agency?

Mr. **Quinlan**. The request would actually go, under current regulations, to the Office of Justice Programs.

Mr. **Lehman**. The office of what?

Mr. **Quinlan**. The Office of Justice Programs handles requests from the State governors for Federal surplus land for prison use.

Mr. **Lehman**. On the bases of the Department of Justice?

Mr. **Quinlan**. I am sorry, Mr. Lehman, I am informed by Mr. Houk that the request would go directly to the Department of Defense.

Mr. **Lehman**. I see.

All right. Thank you.

Number six is for the record.

And I want to thank my colleague, Mr. Early, for letting us have this time.

Mr. **Early**. Thank you very much for your questions, Mr. Lehman.

There is one thing that bothers me on that. The Department of Defense told Mr. Lehman that they were waiting for you to get back to them.

Mr. **Quinlan**. Pardon me for the delay, Mr. Chairman, in answering that question. Mr. Houk informs me that we have had a list of 12 underutilized brigs for about 13 days from the Department of Army. We are analyzing that and will be getting back to the Army.

Mr. **Early**. Thirteen days.

STAFFING INCREASE

You request $91 million for 4,000 additional positions to improve staffing at existing institutions.

Will these additional funds allow you to achieve your preferred staff to inmate ratio of one to three?

Mr. **Quinlan**. Yes, it will, Mr. Chairman. I might point out that these positions are very much needed, particularly in the areas of health services, drug treatment, literacy, and human resource development, critical areas to us. Also being able to give us the additional positions will allow us to enhance security, help improve our interaction with inmates, and reduce inmate idleness and tension in our institutions.

Mr. **Early**. I would like you to provide for the record how the 55,000 inmates breakdown according to the six ratings that the Bureau has.

Mr. **Quinlan**. Sure. Absolutely.

[The information follows:]

Prison Population by Security Level

Security level:	*As of 3/21/90*
1	12,786
2	6,576
3	8,131
4	9,059

5	4,425
6	379
Administrative [1]	9,144
Detention	5,062
Total	55,562

[1] Includes all security levels, males/females, holdovers, and medical.

PRISON POPULATION INCREASE

Mr. EARLY. This 4000 increase in positions would be almost a 25 percent increase in staff. Do you have the capability to hire and train 4000 new correction officers in one year, in addition to your nominal replacements?

Mr. QUINLAN. Yes, we do, Mr. Chairman.

We have been working with the Treasury Department and the Federal Law Enforcement Training Center in identifying our potential training needs and their plans help address those needs. We have also been looking at other alternatives to augment those capabilities. I am satisfied that we will have the resources available to recruit, hire, and train these additional staff at the same level of training that we have provided to our staff over the past 20 years.

Mr. EARLY. You must be the biggest agency there.

Mr. QUINLAN. We have a large personnel.

Mr. EARLY. I mean as far as hiring.

Mr. QUINLAN. We are told that we are the fastest growing Federal agency in terms of personnel.

Mr. EARLY. Terrible.

ACTIVATION OF NEW FACILITIES

Now, with regards to new facilities, you request $50 million to activate a number of new facilities.

Have there been any schedule changes which will delay the activation of these facilities?

Mr. QUINLAN. There have been some schedule changes which I would, if I could, request that we may get to the Committee in the record.

Mr. EARLY. You may put that in the record.

Mr. QUINLAN. Yes, sir.

[The information follows:]

ACTIVATION DELAYS

For planned activities shown in the 1991 Congressional budget request, we anticipate that the Federal Correctional Institution in Manchester, Kentucky will be delayed approximately 6 to 9 months in completion. This delay is primarily associated with site problems. In addition, it is possible that there will be other delays and we will advise the Committee if other changes occur. Delays in prior year activations are reflected in the 1991 Congressional Budget request.

PRISON POPULATION

Mr. EARLY. Now, on prison population adjustment, you request $24.5 million to handle an increase of 6,050 in prison population in fiscal year 1991.

Doesn't this request partially duplicate your request for the facility activation since 3,300 of the 6,050 increase will be achieved through new facilities?

Mr. **Quinlan**. It is not duplicative, Mr. Chairman.

The resources requested for the activation of new facilities provides for the additional staffing requirements and activation costs including start up supplies, equipment and fixed costs such as utilities. The inmate care and program costs such as food and health care are budgeted through increases in the overall Bureau Prisons' population adjustment.

OMB CIRCULAR A-76

Mr. **Early**. In fiscal year 1990, your work years were reduced by 208 in order to comply with OMB circular A-76, contracting out requirements.

What functions do you propose to contract out other than the ones you have already spoken to Mr. Rogers and Mr. Regula about?

Mr. **Quinlan**. The areas that we are studying under A-76 are the two prison hospitals at Springfield, Missouri and Rochester, Minnesota. We think that there might be an opportunity to save resources—

[Off record discussion.]

Mr. **Early**. Back on the record. Go ahead, conclude.

Mr. **Quinlan**. In the A-76 study that we are in the process of conducting right now, we think there might be a possibility of conserving resources through the contracting out of our two prison hospitals.

Mr. **Early**. For the record, will you tell us what it will do to the cost of health care in your facilities?

Mr. **Quinlan**. That is what we want to look at, Mr. Chairman. We think that we provide a high level of medical care for Federal prisoners at a cost-effective price because we have the help of the Public Health Service in providing some of our medical care. However, it has been shown in some isolated cases where the private sector has been able to provide medical services to us in a more cost-effective way. For example, in Duluth, Minnesota where we have a contract with St. Luke's Hospital, they provide our medical services and have done so for the last three or four years in a cost-effective way. We want to see if that can be expanded to a larger size institution, and obviously to a much greater level of responsibility, that of running a full prison hospital.

Mr. **Early**. What impact will these changes have on your current operation? I also want to know if you are going to realize the savings anticipated by OMB from this type of operation.

Mr. **Quinlan**. I would have to submit that for the record, Mr. Chairman.

Mr. **Early**. You can submit that information for the record. I have other questions that I will submit for the record. I am going to yield to Mr. Rogers.

Excuse me, Mr. Dwyer, do you have any questions? You are not in a hurry.

Mr. **Dwyer**. No.

Mr. **Early**. Mr. Rogers?

Mr. **Rogers**. Mr. Chairman, I think you asked my questions. It was good to see you.

Mr. **Early**. Thank you very much, Mr. Rogers. Mr. Dwyer?

FAIRTON, NEW JERSEY

Mr. **Dwyer**. Thank you, Mr. Chairman.

Mr. Quinlan, can you tell me something about the facility in New Jersey and how it is coming along? What is the status of it?

Mr. **Quinlan**. It is coming along very nicely. The facility in Fairton, New Jersey, is located about 45 miles from Philadelphia and it will be dedicated on April 27th of this year or in about 40 days.

We will have a 550-bed medium security facility. We will use one of the housing units for detention cases because of the initial need for additional detention space in the Northeast, particularly in the Philadephia/New Jersey area. We plan to expand the facility in the next year or so with another unit, which will also be dedicated to detention cases from that Northeast area.

DETENTION VS. MINIMUM SECURITY

Mr. **Dwyer**. How do you differentiate between detention and minimum security, for my own edification?

Mr. **Quinlan**. Detention cases are basically anywhere from a minimum security to a maximum security inmate, because they are being held prior to trial. When you have that kind of a scale of offenders, you have to build the facility for the most secure offender. They must be housed separately, since they are not sentenced, they are not required to work, they are brought to the main dining room at a time when the other prisoners are not present. Their programs are pretty limited because they are generally in that facility for only a few months. The detention facilities will have some minimum custody prisoners, but generally the majority are going to be medium or high security prisoners.

Mr. **Dwyer**. How has the reception been in the area?

Mr. **Quinlan**. The reception has been extraordinary. I was personally involved in helping the people in Fairton, New Jersey, make the decision to build a prison. The fact is the location had been considered for a Federal prison in the late 1970s, and the community had decided they didn't want it. The facility wound up being constructed in Otisville, New York, where I became Warden in 1980.

During the time I was in Otisville, a reporter came up and asked how it was going. He took a look around, talked to the people in the community, and found that the Otisville community loved us. He went back and wrote the story, and the Fairton community decided they wanted a second try. They sent a delegation of community leaders from Fairton up to Otisville and they met with our community relations board, and decided they wanted a prison.

They are very, very supportive. In fact, the last I heard, they would like a second prison.

Mr. **Dwyer**. Is that just the opposite of what is happening around the country?

Mr. **Quinlan**. Isn't it.

Mr. **Dwyer**. You wrote to the Chairman in February about a reorganization of the regions. Do you want to tell us something about that? How does it affect New Jersey?

Mr. **Quinlan**. It wouldn't affect New Jersey directly. The Northeast region, like all of the Federal Bureau of Prisons regions, has become greatly overstretched in terms of their responsibilities.

When the Bureau of Prisons regionalized in 1974, Mr. Dwyer, the Bureau of Prisons had a total of 27 institutions in the entire system, so each region had about six institutions.

We now have regions that have 20 institutions, and we propose to reconfigure the geographic breakout so that no region would have any more than 12 institutions. This will bring the services of that regional office closer to the institution. They will be able to provide the required technical assistance. This is particularly important in an agency that is growing as rapidly as we are. We need to provide our staff with close guidance and oversight and that will be possible with this request, if it is approved.

Mr. **Dwyer**. Thank you, Mr. Chairman.

Mr. **Early**. Thank you. Mr. Regula?

Mr. **Regula**. No, sir.

Mr. **Early**. Mr. Quinlan, Chairman Smith and the Ranking Member Mr. Rogers have really made an effort to cooperate and work with you. So I hope you will continue to work with the Chairman and the Ranking Member as you have in the past.

Mr. **Quinlan**. I appreciate the support of this committee and particularly the Chairman. Thank you very much.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN ALEXANDER

Federal Prison System

Site Acquisition

QUESTION: The budget justifications state that BOP currently has a site search underway for a leased Federal Correctional Institution (FCI). The community leaders and people of Forrest City, Arkansas, support having such a facility located in their area. In determining the site for such an FCI, what consideration will be given to community support for having such a facility located in its area?

ANSWER: Community support including the endorsement by local officials and Members of Congress is vitally important in site selection of any facility.

QUESTION: What criteria will be used in selecting the site for a leased FCI, and what weight will be given to each criterion?

ANSWER: The following criteria are used for citing a leased Federal correctional facility:

-- Location in an area of the country where the Federal Bureau of Prisons is experiencing current overcrowding or a region where projections indicate large numbers of Federal offenders will come into our system in the future.

-- A minimum of 200 to 250 acres of relatively flat buildable land of reasonable configuration (i.e., with roughly equal length and width) and with adequate visual buffers along the boundaries.

-- Available at no cost to the government.

-- Free from environmental difficulties including protected "wetlands areas", significant archaeological or historic resources, habitats of threatened or endangered species, farmland preservation areas and prime agriculture land. Not located within a flood plain area.

-- Located within 50 miles of a large population center to ensure the facility the availability of community resources for staff housing, goods and services.

-- Adequate public utility services to the site.

-- Adequate fire protection services nearby, with a public-service fire company preferred.

-- An accredited full-service hospital recognized and licensed by the state within one hour's driving time.

-- Close proximity to interstate highway systems and public transportation, preferably with commercial ground and air service nearby.

-- Proximity to higher education facilities, with accredited colleges or universities and a wide variety of technical schools.

-- Community support including endorsement by local officials and Members of Congress.

-- The willingness to enter into a lease agreement that will be subject to the availability of annual appropriations.

The most critical factor is the geographical area of the country from which inmates are being sentenced. Factors such as location within 50 miles of a large population center (50,000 or more), free of environmental problems, availability of utilities at the site, adequate fire protection, medical services and educational opportunities are of equal importance. Community and Congressional support are vitally important. Also important is the willingness to enter into a lease agreement which will be subject to the availability of annual appropriations.

QUESTION: When do you expect to have the site selection for the leased Federal Correctional Institution completed?

ANSWER: A site has already been targeted for the leased facility. We are in the developmental stage of entering into an agreement with the Airport Authority at Will Rogers Airport in Oklahoma City to privately fund and construct a holdover facility to be used by the Federal Bureau of Prisons and U.S. Marshals Service.

QUESTION: What inmate capacity do you expect the leased FCI to have?

ANSWER: We propose an 800 to 1,000 bed facility.

QUESTION: What level of security do you expect the proposed leased FCI to have?

ANSWER: It will be a secure facility housing inmates from all security levels.

QUESTION: When do you expect the leased FCI to be ready for use?

ANSWER: At this time, we anticipate activation in the spring of 1992.

QUESTION: The budget justifications state that BOP is currently involved in site searches for five Federal Correctional Complexes. What criteria are being used for selecting these sites?

ANSWER: The same criteria listed above except a minimum of 1,000 to 1,200 acres would be required and exclude the lease provision would be excluded.

QUESTION: What weight is given to each of the criterion used?

ANSWER: As stated above, the most critical factor is the geographical area of the country from which inmates are being sentenced. Community support including the endorsement by local officials and Members of Congress is also vitally important.

QUESTION: In such site searches, what consideration is given to active community support for having a federal correctional facility located in its area?

ANSWER: As noted above, community support is vitally important.

QUESTION: What inmate capacity do you expect each of the five FCCs to have?

ANSWER: The capacity can range from 2,000 to 2,750.

QUESTION: What level of security do you expect each of the five FCCs to have?

ANSWER: Federal Correctional Complexes will include three or four independent facilities of different security levels. For example, a correctional complex we are planning will have 500 minimum-security beds, 1,000 low-security beds, 850 medium-security beds and 500 high-security beds.

QUESTION: The budget justifications state that, in addition to the leased FCI, BOP is currently involved in site searches for three Federal Correctional Institutions to be built by and owned by the Federal Government. What criteria are being used for selecting these sites?

ANSWER: The site criteria is the same as listed above for a leased FCI excluding the lease provision.

QUESTION: What weight is given to each of the criterion used?

ANSWER: Again, the geographic area is critical and community support is very important.

QUESTION: In such site searches, what consideration is given to active community support for having a Federal Correctional facility located in its area?

ANSWER: As long as the other selection criteria are met, community support is very important.

QUESTION: What inmate capacity do you expect each of the three FCIs, which are to be built by and owned by the Federal Government, to have?

ANSWER: A Federal Correctional Institution is composed of a medium security facility to house 750 to 850 inmates, and an adjacent camp to house 150 to 250 minimum security inmates.

QUESTION: What level of security do you expect each of these three FCIs to have?

ANSWER: The facilities will house inmates requiring minimum to medium security.

QUESTION: The budget justifications state that BOP expects to have the five Federal Correctional Complexes and the three Federal Correctional Institutions, excluding the leased FCI, completed by January, 1994. When do you expect to complete the site selection for each of the five FCCs?

ANSWER: Sites have already been targeted for the five complexes with development and design of some of these sites already underway. The National Environmental Policy Act requires agencies to conduct Environmental Impact Statements (EIS) before making a final decision on a project. It generally takes six to twelve months to complete an EIS once a community is targeted. We anticipate completing the EIS process on all five complexes by Spring 1991.

QUESTION: When do you expect to complete the site selection for each of the three FCIs?

ANSWER: We have completed the EIS process on two of the FCIs and the third will be completed within the next several weeks. Advertisements for the architects/engineers for the design of two of these FCIs have been published.

QUESTION: As a part of its activities in considering and/or selecting a site for its facilities, is BOP required to prepare an Environmental Impact Statement in compliance with the National Environmental Policy Act?

ANSWER: Yes.

QUESTION: If the response to the above question is affirmative, when does BOP expect to initiate the EIS process for the proposed leased Federal Correctional Institution?

ANSWER: During the Spring of 1990.

QUESTION: When does the Bureau of Prisons expect to initiate the EIS process for each of the five Federal Correctional complexes?

ANSWER: Two sites are in the EIS process. Staff are working with targeted communities and should begin the EIS process by summer 1990 for the others.

QUESTION: When does the Bureau of Prisons expect to initiate the EIS process for each of the three federal Correctional Institutions to be built by and owned by BOP?

ANSWER: The last EIS of the three FCIs will be completed within a few weeks.

QUESTIONS SUBMITTED BY CONGRESSMAN EARLY

Federal Prison System

Alternatives to Incarceration

QUESTION: What is the projected savings per prisoner associated with electronic monitoring versus incarceration?

ANSWER: Based on the U.S. Probation Service's estimates electronic monitoring costs between $12 and $15 per day. For comparison purposes, the average daily cost to incarcerate a prisoner in a level 1 Federal prison facility is approximately $28 per day. While it appears that there is a savings of approximately 50 percent a day, only a small number of inmates are eligible for participation in the program under current guidelines. Our 1991 request will provide for those that are eligible.

QUESTION: Could your requested increase of $25.5 million to fund the projected increase in prisoner population be reduced by providing additional funds for electronic monitoring?

ANSWER: No, the $25.5 million provides for those offenders that a Federal judge has sentenced to Federal prison. We believe it is our responsibility to carry out the orders from the court and that the judge considered alternatives to institution confinement in his/her decision. It should be noted that approximately 60 percent of the 133,000 Federal offenders were under supervision in the community in 1989.

QUESTION: Last year $2 million was provided for special curfew parole. How is this program working? Are you continuing this program in 1991?

ANSWER: The Federal Bureau of Prisons was not provided $2 million for special curfew parole last year. Under the special curfew parole program inmates have their parole date advanced up to 60 days by the U.S. Parole Commission, if warranted. These offenders are placed under the supervision of the U.S. Probation Service. Resources to operate this program were derived from the U.S. Probation

Service (1 position) and the U.S. Parole Commission (2 positions). No additional resources are requested.

QUESTION: Again since this program is cheaper than incarceration, could savings be had by expanding the program in lieu of providing funds for incarceration?

ANSWER: No. While it is cheaper to release prisoners than to keep them incarcerated there is a relatively small percentage of prisoners who would be eligible for early release.

Staffing

QUESTION: Will you have to sacrifice quality in order to bring on this many new personnel?

ANSWER: No. While hiring 4,000 new personnel is a monumental task, the Bureau of Prisons has begun implementing plans to recruit, hire and train an ample pool of line staff as well as managers. Approval of the 1991 request will provide an additional 184 staff to further enhance our efforts.

QUESTION: Your staffing increase of 4,000 assumes a lapse rate of 50 percent (2,000 workyears). Considering the magnitude of this increase, do you believe you will be able to achieve a lapse rate of 50 percent or will it more likely be lower?

ANSWER: We plan to begin filling positions upon enactment of the 1991 appropriation. If the appropriation is passed near the beginning of the fiscal year, we believe we can meet the lapse rate of 50 percent, however, it may not be possible if passage of the appropriation slips considerably.

QUESTION: Your request of 883 positions for activating new facilities assumes a lapse rate of approximately 42 percent. Why did you not use this lower lapse rate for the staffing increases?

ANSWER: The lapse rate used when requesting positions to activate new facilities varies because the lapse is calculated based on the date the new facilities are scheduled to come on line. We begin staffing facilities several months before construction is completed so that operation coincides with completion.

Activate New Facilities

QUESTION: You identify approximately 3,300 beds associated with these activations. Do the number of beds identified reflect the number the institution was designed for or the number of beds you actually plan to fill?

ANSWER: The 3,317 beds associated with the activation of new facilities represents design or rated capacity. In reality, because of overcrowding systemwide, these facilities will be double bunked shortly after activation, housing considerably more inmates than the facility was designed for. For example, our recently activated facility in McKean, PA is rated for 648 beds but there were 1,177 inmates there as of March 15, 1990.

Population Adjustment

QUESTION: In 1990, you projected an average prisoner population of 56,400. What is your average population at this time, and what are your current projections for 1990?

ANSWER: While the average daily population through February is 53,432, the number of Federal prisoners incarcerated as of March 22, 1990 is 55,624. This is an increase of approximately 8 percent for the first six months of 1990. If the growth rate continues to rise at the same rate, the number of prisoners incarcerated by September could exceed 59,000 and the Bureau of Prisons should reach its projected average daily population of 56,400.

A-76

QUESTION: In 1990 your workyears were reduced by 208 in order to comply with OMB Circular A-76 contracting out requirements. What impact will these changes have on your operations? Are you going to realize the savings anticipated by OMB?

ANSWER: If the Federal Bureau of Prisons's study of contracting out our two Medical Centers in Springfield and Rochester proves to be cost effective, then there will be savings. However, we have just started the A-76 studies, and are about to advertise in the Commerce Business Daily. The study is projected to last 18 to 24 months.

QUESTION: As you recall the Committee opposed the "rent-a-prison" concept of contracting out to private sources for the operation of a federal prison because we believe this to be an inherent function of the government. Is A-76 a back-door approach to this privatization initiative?

ANSWER: No, not at the present level of effort.

QUESTION: In your personal and professional opinion, do you believe that the prisons should be candidates for A-76?

ANSWER: This is a very complex philosophical issue. Privatization of corrections raises important legal, administrative, cost and quality of service questions and deserves careful analysis and exploration. We do not believe that private detention companies can or should replace our current Federal Prison System. Rather, we want to determine if the private sector offers a valid and cost effective option to assist the Bureau of Prisons in meeting the projected growth in the inmate population.

The pilot project with a private sector firm to manage, staff and operate a prison for sentenced aliens will provide useful information in this regard. We do believe there are certain functions which can be contracted out, for example, health services, teachers, and Community Correction Centers.

Buildings and Facilities

QUESTION: What was the total amount available for new construction from all sources for 1990.

ANSWER: The total amount available for new construction in 1990 is $1,300,248,000. The Department of Justice Appropriations Act provided $304,502,000, the Department of Transportation Appropriations Act provided $1,000,000,000. Of these amounts $4,254,000 was sequestered. This excludes an additional $109 million which is projected to be available from the Office of National Drug Control Policy's Special Forfeiture Fund at the end of 1990.

QUESTION: What impact did sequestration have on the new construction program? Were you forced to eliminate any projects or did you just scale back on projects?

ANSWER: The sequestration has not had a significant effect on new construction, we hope to be able to merely scale back projects.

QUESTION: Considering your projected requirements for bedspace over the next several years and your current problems with overcrowding, why are you requesting a new construction program in 1991 that is only 20 percent of your 1990 funding?

ANSWER: The funding currently approved for the construction of new prisons, the acquisition of surplus facilities for conversion to correctional use and the expansion of existing institutions will add about 33,000 beds when completed. Coupled with our 1991 request for 6,175 new beds and plans for 1992 we will be able to keep pace with projected increases in Federal inmate population and reduce prison overcrowding to approximately 30 percent by 1995.

QUESTION: You have included construction of a new prison within your base for the first time -- in prior years all new construction projects were considered program increases. Since you are requesting this project in your base, can we infer that this prison is to replace an older prison that you plan to close down?

ANSWER: No, funds requested in the base are not to replace an older prison, but represent an attempt to establish a minimum level of resources to deal with the reality of a ever-increasing inmate population.

Prison Leasing

QUESTION: For 1991, you propose two more such leases. Since the Congress was able to provide over $1.4 billion in construction of prisons in 1990, are you still convinced that there is a need for these leases? Don't you believe it is a little premature to request approval of two more lease proposals before we have received the results of the 1990 test? What types of facilities are you proposing to lease in FY 1991?

ANSWER: Our 1991 budget does not propose two more leases. We plan to evaluate the lease option, as required by the Senate, before expanding this option.

QUESTIONS SUBMITTED BY CONGRESSMAN REGULA

Federal Prison System

Inmate Health Care

QUESTION: With the Bureau's plans for new construction, expanded facility expansion, and projections of increased inmate populations, it would seem that this situation will put great strains on the Bureaus's inmate medical and health care system. What steps are being done to respond? Are more medical facilities needed? How many more personnel are needed and what can be done to improve recruitment?

ANSWER: Currently, the Bureau has medical/psychiatric/ chronic care capacity of 1,600 beds. This capacity is not sufficient to meet current needs. Projecting to 1995, when the population is estimated to reach 95,100, the Bureau estimates it will need a minimum of 3,100 health care beds.

Health Care Bedspace: With current health care capacity of 1,600 and a projected caseload of 3,100 beds in 1995, the Bureau would be short 1,500 beds. To address this need the Bureau is pursuing several courses of action.

The Bureau is attempting to acquire use of space at the United States Public Health Service's (USPHS) Gillis W. Long Hansen's Disease Center located in Carville, LA. Through an interagency agreement with the USPHS now in draft form, the Bureau will acquire approximately 200 beds for long-term chronic care.

In addition, the Bureau plans to build approximately 500 health care beds at a Correctional Complex planned for Butner, NC. Funding for this complex has been provided. This leaves the Bureau approximately 800 beds short, which this agency plans to address in future budget requests.

The estimates of future demand are based on current levels of service and several factors discussed below that will increase the proportion of inmates requiring health care services.

Aging Population: Although inmates 50 years or older constitute only 12 percent of the total inmates population, this age group constitutes 30 percent of the inmates currently in medical referral centers. From 1980 through 1989 the inmate population in the over 50 age bracket increased from 9 percent of the inmate population to 12 percent. With increasing sentence lengths and the aging general population, it is estimated the proportion of inmates in the over 50 bracket will constitute 15 percent of the general inmates population by 1995. Consequently, the Bureau expects corresponding increases in the percentage of inmates requiring some form of medical care.

AIDS: From 1984 to 1989 the number of inmate with end-stage AIDS increased from 1 to 35. Based on sampling of the inmate population, it is estimated approximately 2 percent of the total Bureau inmates population are HIV positive. Assuming the percentage of inmates who test HIV positive remains constant, and given longer inmates sentences, the number of inmates requiring hospitalization in one of the Bureau's medical facilities is likely to increase.

Kidney Dialysis: The number of inmates requiring kidney dialysis has increased from 9 in 1979 to 27 in 1989. Since there is a strong relationship between kidney disease and the use of drugs, and with the increased emphasis on drug enforcement, it is expected the number of inmates requiring kidney dialysis will increase substantially.

Positions Needed and Recruitment of Health Care Professionals: Initially, health care professionals for the Carville facility will be provided by the USPHS through an interagency agreement. By 1993 the Bureau will assume responsibility for providing health care services, and an estimated 36 health care positions will be needed. For the proposed Butner Medical Facility an estimated 145 health care positions will be needed.

The Bureau of Prisons continues to have difficulty attracting health care professionals at current salaries. Recently special pay provisions for Physician Assistants (PAs) was approved by OPM, and this increase has been instrumental in reducing the number of PA vacancies.

Concerning physicians, the salaries and benefits now provided through the general services schedule are inadequate. The Bureau currently has 45 vacancies out of 150 authorized positions in the physician category. With the phase down of the National Health Service Corps (NHSC), a major source of physicians will disappear. About 50 percent of the Bureau's physicians now come to the Bureau as obligated scholars from the NHSC program.

Several steps have been taken to improve recruitment of health care professionals. A health care recruitment team has been established for the sole purpose of recruiting health care professionals. Health care recruitment brochures have been prepared. Recruitment teams attend major medical meetings so as to encourage health care professionals to join the Bureau.

QUESTION: How many AIDS patients are in the medical system? How are HIV positive inmates handled by the Bureau?

ANSWER: Currently, the total AIDS cases is 139. The total number of inmates who are HIV positive is 491. Inmates who are known to be HIV positive but do not require hospitalization or intensive care are mainstreamed in the regular population. AIDS inmates receive counseling, education, and medical treatment as needed.

Construction

QUESTION: Does the Bureau have plans for the construction or purchase of an underground prison facility? Does the Bureau anticipate a need for such a facility?

ANSWER: The Bureau has established a need for a facility that would provide approximately 50 beds for inmates who are not a management problem but, because of their resources, would be subject to outsider-assisted escape attempts. Consequently, this facility would have to be very secure from outside assault. In this context, an underground facility was considered as an alternative. Investigation of underground facilities, however, indicated that such facilities were problematic. The Bureau has subsequently designed a unit, which is not underground, into a new facility which will meet its need for this group of inmates.

QUESTIONS SUBMITTED BY CONGRESSMAN LEHMAN

Federal Prison System

Prison Military Bases

QUESTION: How many prisons does the Bureau of Prisons currently operate on military bases?

ANSWER: The Bureau of Prisons currently operates 16 prisons on military bases. Twelve of the sixteen facilities are located on active military bases. Two of the twelve facilities on active military bases are housing Pennsylvania inmates on a reimbursable basis in response to a recent emergency situation at the State Correctional Institution at Camp Hill, Pennsylvania. The remaining four are on "de-activated" or closed military bases.

QUESTION: Mr. Quinlan, I commend you on the excellent job you are doing in managing an extremely overcrowded prison

system. Many state systems that are not as overcrowded as the Federal system are having a much more difficult time running their prisons. In fact, I understand that over thirty state prison systems are operating under court order because prison overcrowding has resulted in unconstitutional conditions in those states. Do you think that we should expand the role of the Federal Prison System to take the overflow of inmates from the state systems?

ANSWER: Even after the completion of our current construction program which is the largest capacity expansion program in history of the Bureau of Prisons, the Federal Prison System will still be 30 percent overcrowded. Thus, it will be unlikely that we will be in a position where we could absorb the overflow of inmates from state systems.

QUESTION: I understand you are a member of the Alternative Use Commission. Can you give me any indication of what the Commission will recommend with regard to using closed military bases for prisons?

ANSWER: The purpose of the Alternative Use Commission is to review unused or underutilized Department of Defense facilities or parts of facilities that can be used or renovated to serve as minimum security prisons, drug treatment facilities for non-violent drug abusers, and facilities to assist the homeless.

At the present time, the Bureau of Prisons is reviewing the 4,000 to 5,000 documents submitted by the Defense Department that describe buildings and land on military installations for possible use as minimum security correctional facilities. We anticipate that several sites may meet our primary criteria -- location in an area of the country where we are experiencing overcrowding or in an area where projections indicate large numbers of Federal offenders will come into our system in the future.

We are working very closely with the President's Economic Adjustment Committee in the Office of the Secretary of Defense which is responsible for coordinating the efforts of base reuse for those facilities identified in the Base Closure and Realignment Act. Several bases scheduled for closure have been targeted where a portion of the base would be used to construct a correctional facility or where existing buildings could be converted for inmate housing.

Monday, March 19, 1990.

UNITED STATES PAROLE COMMISSION

WITNESSES

BENJAMIN F. BAER, CHAIRMAN

CAROL A. CLARK, BUDGET OFFICER

LINDA WINES MARBLE, DIRECTOR, CASE OPERATIONS AND PROGRAM DEVELOPMENT

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

1991 BUDGET REQUEST

Mr. Early. Continuing with our review of the Department of Justice, we will now hear testimony from the United States Parole Commission. The Commission requests $9,869,000 in fiscal year 1991. We will insert in the record at this point the Commission's fiscal year 1991 budget justification.

[The justifications follow:]

Department of Justice

U.S. Parole Commission

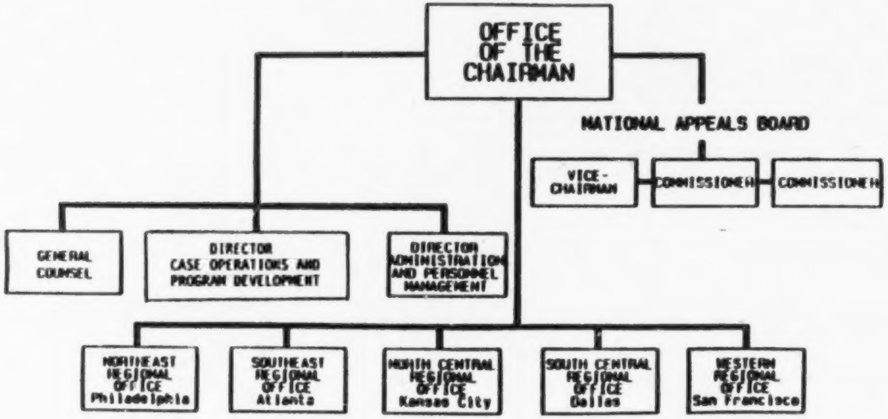
Estimates for Fiscal Year 1991

Table of Contents

Page Number

Organization Chart 1
Summary Statement 2
Justification of Proposed Changes in Appropriation Language 3
Crosswalk of 1990 Changes 4
Summary of Requirements 5
Justification of Program and Performance 6
Financial Analysis - Program Changes 10
Detail of Permanent Positions by Category 11
Justification of Adjustments to Base 12
Summary of Requirements by Grade and Object Class 14

UNITED STATES PAROLE COMMISSION


OFFICE OF THE CHAIRMAN
NATIONAL APPEALS BOARD
VICE-CHAIRMAN
COMMISSIONER
COMMISSIONER
GENERAL COUNSEL
DIRECTOR CASE OPERATIONS AND PROGRAM DEVELOPMENT
DIRECTOR ADMINISTRATION AND PERSONNEL MANAGEMENT
NORTHEAST REGIONAL OFFICE Philadelphia
SOUTHEAST REGIONAL OFFICE Atlanta
NORTH CENTRAL REGIONAL OFFICE Kansas City
SOUTH CENTRAL REGIONAL OFFICE Dallas
WESTERN REGIONAL OFFICE San Francisco

Approved: B. F. Baer Date: 1/1/89

BENJAMIN F. BAER
Chairman

U.S. Parole Commission

Salaries and expenses

Summary Statement

Fiscal Year 1991

The United States Parole Commission is requesting, for 1991, a total of $9,869,000, 103 permanent positions and 98 workyears. This represents a net decrease of $631,000, 33 positions and 33 workyears from the 1990 appropriation enacted.

The United States Board of Parole was created by Congress in 1930. The Parole Commission and Reorganization Act of 1976 (Public Law 94-233, effective May 14, 1976) retitled the agency as the United States Parole Commission. Placed within the Department of Justice for administrative purposes, the Commission is an agency with independent, decision-making powers set forth by statute. The Commission has parole jurisdiction over all eligible Federal prisoners, wherever confined, and continuing jurisdiction over those who are released on parole or as if on parole (mandatory release).

National parole policy is reviewed by formal Commission deliberation at least quarterly. This continual study and review is designed to monitor and refine parole practices throughout the Federal system.

On a cooperative basis, the Commission uses the services of the staff employed by the Federal Prison System, who are assigned to the correctional institutions throughout the nation. The staff prepares classification summaries, progress reports and other reports concerning parole applicants.

Field supervision of released prisoners is provided by U.S. Probation Officers who are employed by the U.S. Probation Service in the Administrative Office of the U.S. Courts. According to statute, they function as "parole officers" for Federal prisoners. Reports concerning the adjustment of parolees and mandatory releasees are prepared by these officers and submitted to the Commission.

As part of the Comprehensive Crime Control Act of 1984 (Public Law 98-473), the United States Sentencing Commission was established to develop and issue comprehensive guidelines for Federal cases. As a result of this, the current Federal parole system is scheduled to be phased out. Because the Sentencing Commission was not appointed until October 1985, an extension for the sentencing guidelines was enacted. These guidelines went into effect on November 1, 1987 resulting in a decrease in the Parole Commission's workload. The abolishment of the Commission is expected to occur by the end of 1992.

U.S. Parole Commission

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and Expenses

For necessary expenses for the United States Parole Commission, as authorized by law, [$10,500,000]‸. $9,869,000

(18 U.S.C. 4202-04, 4212, 4255, 5005, 5041; Department of Justice Appropriations Act, 1990, additional authorized legislation to be proposed.)

Explanation of changes

No substantive changes proposed.

U.S. Parole Commission

Salaries and expenses

Crosswalk of 1990 Changes
(Dollars in thousands)

1990 President's Activity/Program	Budget Request Pos.	Budget Request WY	Budget Request Amt.	Congressional Appropriation Actions on 1990 Request Pos.	Congressional Appropriation Actions on 1990 Request WY	Congressional Appropriation Actions on 1990 Request Amt.	Reprogrammings Pos.	Reprogrammings WY	Reprogrammings Amt.	1990 Appropriation Enacted Pos.	1990 Appropriation Enacted WY	1990 Appropriation Enacted Amt.
1. Parole..........	131	126	$10,335	5	5	$165	...	...	...	136	131	$10,500

Congressional Appropriation Actions. During Conference the Commission's funding level was increased by $165,000, 5 positions and 5 workyears.

U.S. Parole Commission
Salaries and expenses
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1990 as enacted	136	131	$10,500
Mandatory increases:			
One additional compensable day	...	...	25
1990 Full-year pay increase impact on 1991[1]	...	...	194
1991 Pay increase	...	...	54
Health benefits	...	...	20
Federal Employees' Compensation Act (FECA) Unemployment Compensation	...	...	2
GPO printing costs	...	...	3
Employee data and payroll services	...	...	2
Mandatory increases	...	...	300
Decreases:			
Federal Telecommunications System (FTS)	...	...	-85
GSA Rent	...	...	-131
Decreases	...	...	-216
Total adjustments to base [1]	...	...	84
1991 base	136	131	10,584

	1989 as Enacted			1989 Actual			1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
U.S. Parole Commission	161	163	$10,893	161	162	$10,843	136	131	$10,500	136	131	$10,584	103	98	$9,869	-33	-33	-$715

EOY Employment:	Approp.	Reimb	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
Full-time permanent..	149	...	149	139	...	139	119	...	119	119	...	119	87	...	87	-32	...	-32
Other	12	...	12	22	...	22	17	...	17	17	...	17	16	...	16	-1	...	-1
Total	161	...	161	161	...	161	136	...	136	136	...	136	103	...	103	-33	...	-33

---

[1] The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

U.S. Parole Commission
Salaries and expenses: 15-1061-0-1-751
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

Activity	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Parole..........................	136	131	$10,500	136	131	$10,584	103	98	$9,869	-33	-33	-$715

Long-Range Goal: To make decisions relative to grants and denials of parole, conditions of parole, supervision of parolees and mandatory releasees, recommital in event of violation of conditions of supervision, and termination of supervision as outlined in the Parole Commission and Reorganization Act of 1976.

Major Objectives:
To establish, with the aid of statistical data, a national paroling policy and promote the consistent exercise of discretion in the paroling process, including the development and application of specific guidelines for decision-making so that the duration of terms of imprisonment throughout the Federal system will be equitable for those prisoners over whom the Commission has jurisdiction.

To make fair decisions regarding the grant or denial of parole which are fair to the prisoners and which adequately protect the public welfare, within specific time requirements for decisions established by law.

To provide forceful supervision for released parolees and mandatory releasees to enhance community protection and the rehabilitation of such released offenders.

To promptly modify or revoke the parole or mandatory release of any individual who violates the conditions of release.

Base Program Description: The Parole Commission and Reorganization Act provides for nine Commissioners, who are appointed by the President with the advice and consent of the Senate. One Commissioner is designated as Chairman. Each of the five Regional Offices of the Commission is under the supervision of a Commissioner and three Commissioners comprise the National Appeals Board in Chevy Chase, Maryland. Hearing Examiners working out of the Regional Offices, interview prisoners eligible for parole and make recommendations to the Commissioners. These hearings are conducted by examiner panels at all Federal prisons on a bi-monthly schedule. Examiners also conduct revocation hearings at State and local facilities, as required. Summaries of the hearings are recorded, then transcribed and sent to the Regional Office for the initial review and decision of a Commissioner.

An appeal system is in effect to permit review of parole decisions and must be completed at the National Appeals Board within 60 days.

Professional level personnel in the area offices coordinate the work with the Federal Prison System Institutions and the Probation Officers attached to each United States District Court.

The Commission's Case Operations and Program Development section gives functional supervision to Regional Hearing Examiners and Analysts. It provides quality control of case decisions, coordinates the training program, develops procedures to implement Commission policy including a comprehensive manual.

The General Counsel's Office advises the Commissioners and staff on interpretation of the agency's enabling statutes and policy, drafts implementing rules and regulations and assists U.S. Attorneys' Offices in defending the Commission against lawsuits brought by prisoners and parolees. The office is also a resource for staff on problems involving the processing of requests for information under the Privacy Act of 1974, as amended in 1975. Responds directly to requests submitted under the Freedom of Information Act. Finally, has responsibility for analyzing applications for exemption from prohibitions imposed by Federal law against persons who have been convicted of certain crimes from occupying labor union, management or pension fund positions, and ensuring that the hearings under the Administrative Procedures Act are properly conducted.

The Commission's legal staff also participates with the State Department and other units of the Department of Justice on various phases of the development of treaties and implementing legislation for the exchange of prisoners with other countries.

Accomplishments and Workload:

1. A total 38,069 individual decisions regarding the grant, denial or reduction of parole, as required by statute, were made during 1989.
2. A total 5,211 National Appeals Board considerations were made during 1989 as required by statute.
3. Supervision was provided to 18,000 parolees, special parolees and mandatory releasees from October 1, 1988 to September 30, 1989.
4. Development of methods for increasing hearing panel reliability in guideline assessments.
5. Refinement of the offense severity and salient factor score scales used by the Commission.
6. Refinement of the Parole Decision Recording and Monitoring System which automates many manual, paper-oriented processes and to provide current parole statistics of codefendants.
7. Conducting an evaluation of parole supervision practices.

The workload of the Parole Commission is presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Hearings:				
a. Initial	12,860	8,409	5,419	3,731
*b. Record Review	22,795	21,599	15,186	9,905
c. Rescission	887	863	835	720
d. Local Revocation	385	463	477	458
**e. Institutional Revocation	2,617	2,825	2,701	2,603
f. Other	359	480	650	500
g. Statutory Review	3,357	3,430	3,530	2,914
Total	43,260	38,069	28,798	20,831
Appeal Decisions:				
a. National	4,775	3,860	3,290	2,300
b. Administrative Review	572	1,194	1,500	1,200
c. OJ decisions and appeals	187	157	140	75
Total	5,534	5,211	4,930	3,575

---

*Includes Pre-Hearing Reviews for Initial Hearings, Pre-Release Reviews and Revocation Hearings.

**Includes Dispositional Hearings.

Program Changes:	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Parole	136	131	$10,584	103	98	$9,869	-33	-33	-$715

A net decrease of $715,000, 33 positions and 33 workyears is requested due to the anticipated decrease in the number of hearings as a direct result of the enactment of the Sentencing Commission Guidelines which took effect on November 1, 1987. This decrease in personnel and related costs is a continuation of the phase-down of the Commission, which is expected to be completed by the end of 1992.

The net decrease consists of the following net changes:

Reimbursement with Bureau of Prisons. The increase of $385,000 would provide for nine reimbursable Examiner/Analyst positions. As the Commission continues to phase-down in FY 1991, the anticipated increased use of Federal Bureau of Prisons personnel would be required to offset the impact of a major Reduction-In-Force. Of significance to the Commission is its ability to maintain a stabilized workforce in proportion to the change in workload so that all Congressionally mandated regulations and deadlines can be met without any adverse effect. One area of special concern is the potential for a high lapse rate in our Examiner/Analyst corps. The Commission does not wish to be placed in a reactive posture of attempting to bring on new employees as we try to meet our workload demands. For this reason a proactive posture of increasing the number of reimbursable positions with the Federal Bureau of Prisons is seen as necessary to avoid the deleterious effect of losing staff at a faster rate than the workload decreases. Additionally, while the number of hearings are decreasing, the number of Federal Institutions our staff will be traveling to will increase from 58 currently on-line to as many as 66 to 72 in 1991. This increase in the number of institutions offsets the workload decrease, to a degree, by causing our Examiners to continue spending up to three weeks a month in travel status. The increased complexity of the cases has also placed increased demands on high quality, time-consuming reviews that must be conducted in the Regional Offices.

Contract Typists. The Commission has for several years used Contract Typists to supplement clerical support. Contract Typists are hired to perform clerical duties in lieu of full-time employees who would be entitled to severance pay during a Reduction-In-Force. The increase of $100,000 will allow the Commission to hire Contract Typists during the phase-down.

Decreased Workload. A decrease of $1,200,000, 33 positions and 33 workyears is requested due to the anticipated decrease in the number of hearings as a direct result of the enactment of the Sentencing Commission Guidelines which went into effect on November 1, 1987. This personnel decrease is a continuation of the Parole Commission's phase-down, which is expected to be completed by the end of 1992.

U.S. Parole Commission

Salaries and expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	BOP Reimbursable	Contract Typists	Decreased Workload		Total	
	Amount	Amount	Pos.	Amount	Pos.	Amount
Grades						
GS-14	...	...	-6	-$303	-6	-$303
GS-13	...	...	-3	-130	-3	-130
GS-12	...	...	-2	-72	-2	-72
GS-11	...	...	-1	-30	-1	-30
GS-9	...	...	-2	-50	-2	-50
GS-7	...	...	-7	-141	-7	-141
GS-6	...	...	-6	-110	-6	-110
GS-5	...	...	-6	-98	-6	-98
Total positions and annual rate	...	...	-33	-934	-33	-934
Total workyears and personnel compensation	...	...	-33	-934	-33	-934
Personnel benefits	...	...	...	-140	...	-140
Rents, communications, and utilities	...	...	...	-44	...	-44
Printing and reproduction	...	...	...	-33	...	-33
Other services	$385	$100	...	-33	...	452
Supplies and materials	...	...	...	-16	...	-16
Total program workyears and obligations changes requested, 1991	385	100	-33	1,200	-33	-715

OPENING REMARKS

Mr. **EARLY**. The committee is pleased to welcome again the Chairman of the Parole Commission, Mr. Benjamin F. Baer.

Mr. Baer, you may proceed with your statement.

Mr. **BAER**. Thank you, Mr. Chairman. I would like to introduce my new budget officer, Carol Clark, and Linda Marble, who are with me today.

[The biography of Ms. Clark follows:]

CAROL ANNE CLARK

Carol Anne Clark is the Budget Officer for the U.S. Parole Commission. She has worked for the U.S. Department of Justice since 1976 with the exception of 2 years, 1986 and 1987, when she worked for the Federal Deposit Insurance Corporation and the National Aeronautics and Space Administration in Florida. In 1988, she returned to the U.S. Department of Justice in Washington as an Administrative Management Specialist. She was subsequently promoted to her present position with the U.S. Parole Commission.

Mrs. Clark was born in Chicago, Illinois on September 23, 1940, and grew up in the Chicago area. She graduated from Jones Commercial High School. After graduation Mrs. Clark worked for Continental Illinois National Bank & Trust Company, Wade Advertising Company, and TWA as a flight attendant.

Carol Anne Clark was married to the late James H. Clark. She has 3 daughters. Mrs. Clark was active in the PTA, Girl Scouts and various church and school activities. She is a member of Trinity Lutheran Church in Titusville, Florida.

OPENING STATEMENT

Mr. **BAER**. Mr. Chairman and Members of the Committee, I am pleased to have the opportunity to appear before you in support of the 1991 budget request for the United States Parole Commission. The 1991 budget request is for $9,869,000, 103 permanent positions and 98 workyears. This represents a net decrease of $631,000, 33 positions and 33 workyears from the 1990 appropriation enacted.

Increases are requested to continue utilization of reimbursable agreements with the Bureau of Prisons for analyst positions and to employ contract typists. Both of these will allow the Commission to reduce its full-time employment and avoid costly reductions-in-force while still meeting its workload needs.

The decrease in funding is necessitated as a direct result of the enactment of the Comprehensive Crime Control Act of 1984, and the implementation of the Sentencing Commission guidelines which took effect on November 1, 1987.

The Parole Commission's workload has already begun to diminish and will continue to do so. Therefore, a reduction in funding is being sought as a direct result of the decrease in workload.

This concludes my statement, Mr. Chairman. I appreciate this opportunity to present the Parole Commission's budget request to the Subcommittee.

PHASEOUT OF PAROLE COMMISSION

Mr. **EARLY**. Mr. Baer, this Member thinks that the Parole Commission has also done an outstanding job over the years. Although I am disappointed that the Parole Commission is being phased out, I am surprised to see the morale as good as it appears to be at the Parole Commission. I think that speaks well of you as the boss of the agency, and speaks well of all of the people involved who are trying to make a contribution to the justice system and to this country.

You have listened to the testimony from Mr. Quinlan, who has suggested that the Bureau might have 95,000 prisoners by 1995. There is no question in this Member's mind that we need alternatives, and I am not soft on crime. Did you request any new programs that were cut by OMB?

Mr. **BAER**. Yes, sir, Mr. Chairman. There were two very small programs. We had asked to fund a program which we referred to as the Hyattsville project, in which the Commission put a couple of——

Mr. **EARLY**. Is that the program, Mr. Baer, that involves taking the most serious offenders that might be going back out on the street, not because of parole, but because their time is up, and supervising them?

Mr. **BAER**. Yes, sir. We call it that because it is located in the Hyattsville probation office of the district of Maryland. All of the parolees or releasees—most of them are mandatory releasees—are parolees who we know are very poor risks. Most of them have very severe, long, prior records. Almost all of them are drug users. Anybody who knows anything about risk will tell you that these are very poor risks and very likely to recidivate.

So what we did, from our meager resources, was put a couple of positions there so there would be a probation officer and an assistant responsible for approximately 30 cases instead of the normal caseload of about 60 or 70. I thought we could demonstrate that by putting a few more resources in supervising these people when they come out—being on top of them, helping them where it is necessary, and imposing strict surveillance—we could reduce the number going back to prison.

This is a very small pilot, but I think we have demonstrated that it is cost-effective and provides better public protection.

Mr. **EARLY**. I would think that the program isn't going to produce perfect results, because you are singling out the most difficult threats, aren't you?

Mr. **BAER**. Yes, sir.

Mr. **EARLY**. For the record, provide what would be needed to implement that program totally.

Mr. **BAER**. When you say totally——

Mr. **EARLY**. What was suggested with the three positions that were eliminated.

Mr. **BAER**. I am sorry. I misunderstood you. I thought you meant you perhaps wanted us to duplicate it across the country, which I think ought to be done down the road.

[Additional information follows:]

HYATTSVILLE MONITORING PROJECT

Three positions would be needed to fund the Intensive Supervision Project in Hyattsville, Maryland. The positions needed are two analysts at the GS-13 and GS-12 levels and a clerk-typist at the GS-6 level at a cost of $111,000. In addition costs of $6,000 are needed for mileage, a car phone, supplies and incidentals for a total of $117,000 to fund the program in its entirey.

MONITORING OF PAROLEES

Mr. EARLY. I can think of a specific case, Mr. Baer, that was in the paper, where a prisoner who we released amputated the arms or the limbs of an individual, a child.

Mr. BAER. That was a California case.

Mr. EARLY. The article read as if that person had been paroled, but as I understand it, that person had completed his sentence.

Mr. BAER. Yes, sir. I understand California no longer has an indeterminate sentence system. In my opinion, that is a mistake. That person was not paroled, that means that he was not released through a discretionary decision made by a parole board. His time was served and he had to get out, period.

Mr. EARLY. But would that type person fall under continuous monitoring?

Mr. BAER. That type of person, like many other people that leave both State and Federal prisons, should be monitored after they leave prison. My concern is that people who want to be tough on crime say, "Send them to prison and forget about them." The point is that every single person sent to prison is going to be coming out, if not tomorrow, then next week or next year.

Mr. EARLY. I think that is a perfect example of that, as far as——

Mr. BAER. Yes, sir.

Mr. EARLY. I think that the American people often get the wrong impression of our justice system, that the person was paroled or whatever. A program like the Hyattsville program, which would monitor that type of individual, should be implemented.

Mr. BAER. I might say, Mr. Chairman, that a staff person of OMB went out and looked at that program. At our OMB hearing, they said that it was a good program, but it ought to be budgeted in the budget component of the judiciary. As you know, the probation officers are part of the judiciary even though they are our agents in reference to parolees. .

Mr. EARLY. What would be the benefits of that program to the community, Mr. Baer?

Mr. BAER. The benefits to the community are that these people that are going to be out there, former prisoners, are going to be watched much more closely. If they have needs, those needs should be met in the community. For example, one of the prisoners had severe psychiatric problems. Our staff spent numerous hours contacting various local and State agencies and finally got him into a Maryland mental health facility. Otherwise, he would have been back in the Bureau of Prisons facility at Springfield or Rochester at a great cost to the Federal Government.

Mr. EARLY. So would it enhance public protection in your professional opinion, Mr. Baer? You have been in the business a long time, would it be cost-effective?

Mr. BAER. Yes, sir, Mr. Chairman, in my opinion it would be cost-effective and provide better public protection.

WORKLOAD

Mr. EARLY. What has happened with your workload in view of the abolition——

Mr. BAER. As we projected, the hearings are going down. The initial hearings are about 40 percent of what they were two years ago. The revocation hearings have continued to remain about the same at this point, which is what we expected. The rescission hearings are about the same. The total number of hearings, though, are going down slightly.

Mr. EARLY. On revocation hearings, Mr. Baer, I understand that revocation hearings are now held in the prison; is that correct?

Mr. BAER. At this point in time under the present system, approximately 85 percent of revocation hearings are held at a Bureau of Prisons facility. That is because either, one, the parolee has been convicted of another offense, even though it may be minor; or two, at the preliminary interview, which is conductd very soon after the warrant is executed by the marshal, he admits to technical charges. For example, he admits to the use of drugs. In these circumstances, our Commissioner can make a finding of probable cause, and he is returned to prison for the revocation hearing.

NEW SENTENCING GUIDELINES

Mr. EARLY. I understand that with the law for revocation hearings, prisoners will have to be transported from the institutions to the courts. We had marshals here testifying about how overworked they are—they weren't complaining, they never complain. The Marshals Office would have one marshal for 10 inmates in D.C. I don't understand how one thinks that that can work.

Mr. BAER. I think, Mr. Chairman, you are referring to the supervised releasees who are committed under the new sentencing guidelines. The law puts those people under the jurisdiction of the judiciary, rather than an executive branch agency. In Massachusetts, in New Jersey, in all of the 50 States, when a prisoner leaves a prison and he is being supervised, he is under the jurisdiction of an executive branch agency. There is no place in the country where he is under court jurisdiction once he leaves prison.

Mr. EARLY. So what happened in Massachusetts. For revocation hearings, prisoners are going to have to be taken from Danbury, Connecticut to Boston, Massachusetts.

Mr. BAER. On a supervised release——

Mr. EARLY. What is the difference between supervised release and parole?

Mr. BAER. When Congress passed the 1982 act, it abolished parole.

Mr. EARLY. But we didn't do anything different with the individual.

Mr. BAER. But then the Sentencing Commission provided for a determinant sentence with a period of what is called supervised release, because changes in the law took away the word "parole," thus there is no agency making a discretionary release decision.

Mr. EARLY. How long have you been in the business, Mr. Baer?

Mr. BAER. A long time.

Mr. EARLY. Well, you talk more like a bureaucrat as far as—and I am not saying it critically—you don't justify what OMB does, although you blame the Congress.

U.S. Parole Commission

Salaries and expenses

Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Request	1991	
			Program Decreases	Total
Attorneys (905)..	7	7	...	7
Other Legal and Kindred (900-998)....................	6	6	-2	4
Social Sciences, Economics and Kindred (100-199)....	77	65	-12	53
Gen. Admin. Clerical and Office Services (300-399)..	70	57	-19	38
Accounting and Budget (500-599)......................	1	1	...	1
Total...	161	136	-33	103
Washington...	43	40	-6	34
U.S. Field...	118	96	-27	69
Total...	161	136	-33	103

U.S. Parole Commission
Salaries and expenses
Justification of Adjustment to Base
(Dollars in thousands)

Mandatory increases:	Amount
1. One additional compensable day.. The annual salary rate for Federal employees is based on 260 paid days. FY 1991 has one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.	$25
2. 1990 Full-year pay increase impact on 1991... This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $194,000 is the amount required for full-year funding in 1991. NOTE: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.	194
3. 1991 pay increase.. For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This request provides for 50 percent of the proposed 3.5 percent pay increase effective in January of 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $54,000, is the cost of the pay increase for approximately three-quarters of the year assuming a 50 percent absorption.	54
4. Health Benefits.. The Federal Employees Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. The requested increase of $20,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.	20

5. Federal Employee's Compensation Act (FECA) - Unemployment Compensation.................................. $2

This increase reflects the billing provided by the Department of Labor for the actual costs in 1989 of employees' unemployment compensation. The 1991 amount will be $2,000 over the 1990 base.

6. GPO printing costs.. 3

The Government Printing Office (GPO) is currently projecting a seven percent increase over the 1990 printing costs of $41,000. An additional $3,000 will be required in 1991.

7. Employee data and payroll services.. 2

Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems, maintenance and payroll accounting, are based on the number of employee records maintained. The rate of $177.58 per record in 1989 will be raised to $188.23 per record for 1991. The change is based on anticipated uncontrollable cost increases of 6 percent for the operation of the Justice Employee Data Service. An increase of $2,000 will be required in 1991.

Total uncontrollable increases... 300

Decreases (Automatic non-policy):

1. Federal Telecommunications System (FTS)... -85

In 1991, the General Services Administration (GSA) is to have the FTS 2000 system fully implemented. At present GSA projections indicate costs for current FTS minute usage charges will decrease from 34 cents per minute to 18 cents per minute. The requested reduction of $85,000 from a 1990 base of $258,000, reflects this decrease.

2. GSA Rent.. -131

OMB reduced the GSA rent needs for 1991 because of the Parole Commission's phase-down and the GSA requirement that Government offices reduce the average square feet per person.

Total decreases.. -216

Total adjustments to base.. 84

U.S. Parole Commission
Salaries and expenses
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and Salary Ranges	1989 Actual		1990 Estimate		1991 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
GS-18, $78,200	9		9		9		...	
GS/GM-15, $59,216-76,982	10		9		9		...	
GS/GM-14, $50,342-65,444	32		27		20		-7	
GS/GM-13, $42,601-55,381	12		8		6		-2	
GS-12, $35,825-46,571	14		11		10		-1	
GS-11, $29,891-38,855	5		5		5		...	
GS-10, $27,206-35,369	1		1		1		...	
GS-9, $24,705-32,121	10		9		7		-2	
GS-8, $22,367-29,081	5		3		3		...	
GS-7, $20,195-26,252	23		24		16		-8	
GS-6, $18,174-23,628	14		15		9		-6	
GS-5, $16,305-21,201	13		10		3		-7	
GS-4, $14,573-18,947	13		5		5		...	
Payraise for 1991	...	...	...	...	...	$44	...	$44
Total, appropriated positions	161	$5,433	136	$4,982	103	4,327	-33	-655
Pay above stated annual rates	...	...	...	...	...	21	...	21
Lapses	-21	-536	-22	-650	-21	-724	1	-74
Savings due to lower pay scales for part of the year	...	...	...	-34	...	-36	...	-2
Net full-time permanent	140	4,897	114	4,298	82	3,588	-32	-710
Other than permanent:								
Part-time permanent	3	36	2	24	1	12	-1	-12
Temporary employment	10	277	6	200	6	200	...	...
Other part-time and intermittent employment	9	630	9	650	9	675	...	25
Other personnel compensation:								
Overtime	...	7	...	10	...	10	...	...
Other compensation	...	83	...	30	...	20	...	-10
Special personal services payments	...	69	...	26	...	18	...	-8
Total, workyears and personnel compensation	162	5,999	131	5,238	98	4,523	-33	-715
Average GS/GM salary		($33,745)		($36,632)		($42,010)		
Average GS/GM grade		(10.19)		(10.36)		(10.95)		

U.S. Parole Commission

Salaries and expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1989 Actual		1990 Estimate		1991 Estimate		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1 Full-time permanent................	140	$4,897	114	$4,298	82	$3,588	-32	-$710
11.3 Other than full-time permanent......	22	943	17	874	16	887	-1	13
11.5 Other personnel compensation........	...	90	...	40	...	30	...	-10
11.8 Special personnel services payments.	...	69	...	26	...	18	...	-8
Total, workyears and personnel compensation..........................	162	5,999	131	5,238	98	4,523	-33	-715
Other objects:								
12 Personnel benefits..................		1,042		943		858		-85
13 Benefits to former personnel........		1		20		22		2
21 Travel and transportation of persons		668		621		621		...
22 Transportation of things............		188		222		222		...
23.1 GSA Rent............................		894		885		754		-131
23.3 Communications, utilities and miscellaneous charges.............		670		936		807		-129
24 Printing and reproduction...........		120		135		107		-28
25 Other services......................		1,062		1,391		1,862		471
26 Supplies and materials..............		161		95		79		-16
31 Equipment...........................		38		14		14		...
Total obligations.................		10,843		10,500		9,869		-631
Relation of obligations to outlays:								
Obligated balance, start-of-year.......		2,863		3,295		1,931		
Obligated balance, end-of-year.........		-3,295		-1,931		-1,381		
Adjustments in expired accounts........		194		...		...		
Outlays............................		10,605		11,864		10,419		

Mr. **Baer**. I am blaming—if you ask that—I mean Congress passed that.

Mr. **Early**. I am going to yield to Mr. Dwyer.

Mr. **Dwyer**. No questions.

Mr. **Early**. Mr. Baer, the Commission, the Bureau of Prisons, the Marshals Service, the Probation Office—our justice system depends on how those four agencies work together.

In 1990 your staffing was lowered from 161 permanent positions to 136. Does this reduction affect your ability to carry out your mandated responsibilities?

Mr. **Baer**. We are able to carry out our responsibility—we are doing it during this current fiscal year with those resources.

Mr. **Early**. Do you think you will be able to carry out your mandate with the staffing level proposed for 1991?

Mr. **Baer**. In 1991, we are taking a big drop. We will do our best to carry out our statutory responsibilities.

Mr. **Early**. That is a very diplomatic answer while not answering, I guess. We will submit the other questions for the record.

Mr. **Baer**. Thank you, Mr. Chairman.

Mr. **Early**. Thank you very much. With that, we will conclude the hearing and recess until 10:00 a.m. tomorrow.

[The following questions were submitted to be answered for the record:]

QUESTIONS SUBMITTED BY CONGRESSMAN EARLY

U.S. Parole Commission

QUESTION: You propose an increase of $485,000 to reimburse 9 Bureau of Prisons examiner/analyst positions. Do you currently have any such reimbursable positions, and if so how many?

ANSWER: The Parole Commission currently supports, on a reimbursable basis with the Bureau of Prisons, 9 analyst and 1 legal technician positions.

QUESTION: I believe you have thoroughly examined the electronic monitoring program. How effective is it and do you believe it would be a mistake to expand it?

ANSWER: I believe home confinement with intensive supervision, using the tool of electronic monitoring, is a viable community alternative for non-dangerous offenders who would otherwise be in halfway houses. There are many prisoners who do not need the services of a halfway house. Electronic monitoring participants must abide by a curfew monitored in part through electronic surveillance. Participants are restricted to their homes, except for the purpose of employment or other approved activities. Such activities may include participation in drug counseling or church services, with prior approval given by the supervising officer. The pilot projects thus far have shown that offenders can be placed in a home confinement program with an acceptable degree of accountability. We also know that it is very labor intensive, but it is cost-effective relative to the expense of placing an offender in a halfway house. I believe it would be a mistake not to expand the program.

QUESTION: The Bureau of Prisons is proposing in their budget request a very modest request of $1 million for electronic monitoring and a very large increase of $25 million to handle the projected cost of additional prisoners in their facilities. Considering the tight budget squeeze we are in, and the fact that electronic monitoring is so much cheaper, how would you react to a proposal to offset the projected increase in prisoner population with a like increase in prisoners shifted to electronic monitoring?

ANSWER: The Bureau of Prisons is already at 168 percent of capacity. I believe the $25 million increase requested by the Bureau of Prisons is to handle the current overcrowded population level and the projected continued prison population increase. The $1 million request for electronic monitoring is to test the program further in ten pilot districts. Based on the findings in the pilot districts perhaps more funding could be provided to it, offsetting the cost of prison construction. Electronic monitoring is a viable alternative to prison for a significant number of prisoners for all or part of their confinement.

WEDNESDAY, MARCH 21, 1990.

IMMIGRATION AND NATURALIZATION SERVICE

WITNESSES

GENE McNARY, COMMISSIONER

THOMAS N. PERRELLI, COMPTROLLER

DONALD R. MUELLER, BUDGET DIRECTOR

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

MICHAEL T. LEMPRES, EXECUTIVE COMMISSIONER

ELIZABETH C. MACRAE, ASSOCIATE COMMISSIONER FOR INFORMATION SYSTEMS

MICHAEL S. WILLIAMS, ASSISTANT COMMISSIONER FOR BORDER PATROL

WILLIAM P. COOK, GENERAL COUNSEL

LAWRENCE WEINIG, ACTING ASSOCIATE COMMISSIONER FOR EXAMINATIONS

1991 BUDGET REQUEST

Mr. SMITH. Continuing with our review of the Department of Justice, we will now hear testimony from the Immigration and Naturalization Service, which requests $884,349,000 in fiscal year 1991. In addition, the INS will have $110 million available to it from the Immigration User Fee Account, $90 million from Examinations Fees, and $37.6 million from Legalization Fees for a total of $1,121,917,000. We will insert in the record at this point the INS fiscal year 1991 budget justifications.

[The justifications follow:]

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

Estimates for Fiscal Year 1991

Table of Contents

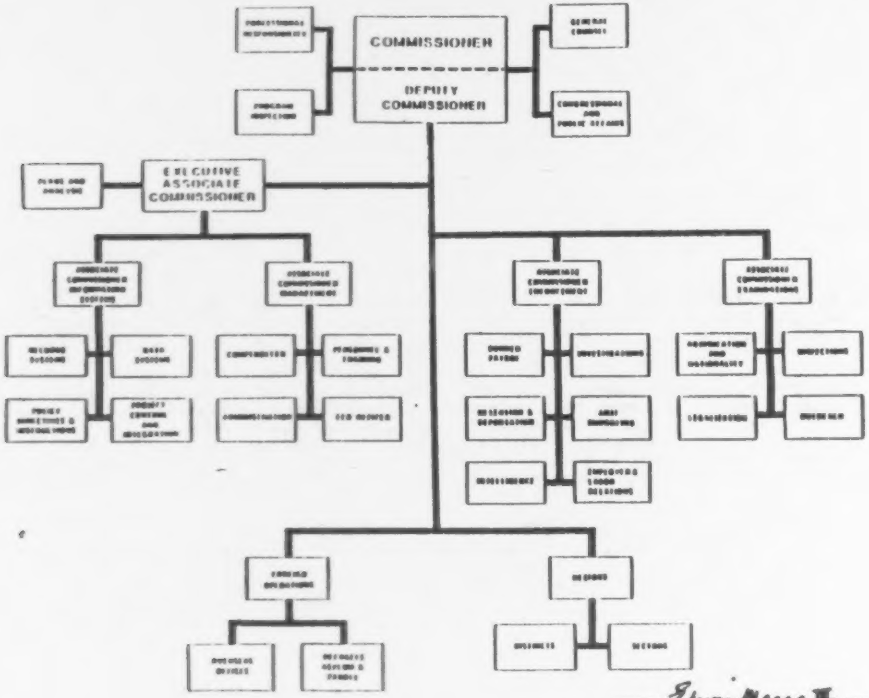
Item — Page Number

Organization Chart 1
Summary Statement 2
Justification of Proposed Changes in Appropriation Language 5
Crosswalk of 1990 Changes 6
Summary of Requirements 7
Summary of Resources by Program 8

Justification of Program and Performance:

  Inspections 9
  Border Patrol 12
  Investigations 15
  Anti-Smuggling 17
  Detention and Deportation 20
  Employer and Labor Relations 22
  Refugees and Overseas 25
  Training 29
  Data and Communications 31
  Information and Records Management 35
  Intelligence 39
  Research and Development 40
  Construction and Engineering 42
  Field Management and Support 46
  Legal Proceedings 47
  Executive Direction and Control 50
  Administrative Services 52
Financial Analysis - Program Changes 54
Status of Construction and Summary of New Facilities Requirements 59
Status of Congressionally Requested Studies, Reports Evaluations 62
Priority Ranking 63
Detail of Permanent Positions by Category 64
Schedule of Motor Vehicles 65
Schedule of Aircraft 66
Summary of Change 67
Justification of Adjustments to Base 68
Summary of Requirements by Grade and Object Class 73
Consulting and Related Services 75

IMMIGRATION AND NATURALIZATION SERVICE


COMMISSIONER
DEPUTY COMMISSIONER
EXECUTIVE ASSOCIATE COMMISSIONER

APPROVED Edwin Meese III DATE 11 Jun 87
ATTORNEY GENERAL

Immigration and Naturalization Service

Salaries and Expenses

Summary Statement

Fiscal Year 1991

The Immigration and Naturalization Service (INS) is requesting a total of $884,349,000, 12,522 positions and 12,260 workyears for 1991. This represents an increase of $42,052,000 over the 1990 enacted level of $842,297,000. The major program thrusts included in the 1991 request are described below.

Basic Enforcement

The 1991 budget request includes a program increase of 200 positions, 75 workyears and $16,327,000 to enhance the operations of the Border Patrol, particularly in drug interdiction activities. The Patrol has a unique role and important presence in the Nation's overall anti-drug effort. These resources will allow the personnel committed to interdiction operations to be expanded. Resources are also included to increase the number of drug-tracking canine teams, to acquire additional electronic equipment for detection of illegal border crossings, and to purchase additional aircraft. In several locations passive physical security devices will be installed to prevent alien and drug smugglers from driving across the border and circumventing established checkpoints.

The budget request also includes $12,688,000 for construction projects which directly support the Border Patrol's mission. Funding is included for the first phase of construction of a new traffic checkpoint at San Clemente, California, replacing the existing inadequate checkpoint on Interstate Highway 5. The budget includes resources for two traffic checkpoints in the vicinity of Marfa, Texas. Both proposed facilities will be strategically located on routes leading from the Big Bend National Park area that have been favored by drug and alien smugglers. The request includes funding to expand the Border Patrol stations at Brownfield, California, and Ysleta, Texas. In both of these locations existing facilities are overcrowded due to the assignment of additional Patrol Agents.

INS enforcement operations rely heavily on quick access to automated data bases. The Service frequently uses data maintained in the National Crime Information Center (NCIC) through the communications linkages of the National Law Enforcement Telecommunications System (NLETS). The budget request includes $75,000 for the expansion of NCIC/NLETS to additional INS field offices.

Overall enforcement operations also depend on an efficient, safe and reliable vehicle fleet. The need for replacement vehicles has become a matter of considerable concern to INS. The lack of replacements will increase maintenance costs and reduce operational efficiency. The 1991 request includes $8,437,000 replacement vehicles to begin improving the condition and reliability of the fleet.

While the land border Inspections program has experienced limited growth since the mid-1980's, border traffic growth has been proportionally much greater. INS has kept pace with this workload growth by instituting measures to improve the productivity of existing personnel through training and the development of more efficient inspectional techniques. Although the use of temporary full-time personnel has alleviated some problems stemming from the shortage of permanent personnel, this expedient is no longer an acceptable alternative to fully trained, full-time permanent personnel. INS was criticized in a Department of Justice audit for becoming reliant on temporary inspectors. The 1991 request includes 104 positions and $1,306,000 to convert 104 temporary inspectors to permanent status.

Detention Facilities -- Expansion of Capacity

INS has become increasingly involved in the detention and deportation of criminal aliens as a result of provisions in the Immigration Reform and Control Act of 1986 (IRCA) and the Anti-Drug Abuse Acts of 1986 and 1988. These new laws have placed greater stress on detention facilities and personnel and led to overcrowding in several Service Processing Centers (SPCs). Problems have been most evident at the Krome SPC, located in Miami, Florida.

The expansion of the capacity of the Krome SPC is essential for a number of reasons. Due to Congressional restrictions, the Service cannot detain criminal aliens at Krome until the facility's security rating is adequate to allow potentially violent felons to be held there awaiting deportation. Criminal aliens have been transported from Florida to other locations, either INS owned or contract detention, at considerable cost to the Government. The 1991 budget request includes $4,500,000 for the construction of a 300 bed dormitory at the Krome SPC. This will be a level 3 secure structure (under Bureau of Prisons classification) with lock-down provisions to meet standards for the detention of criminal aliens.

Anti-Discrimination Initiative

IRCA defines a role for INS in the area of anti-discrimination through the employer sanctions program. A new enforcement program has been implemented in conjunction with a significant informational campaign designed to encourage voluntary compliance with the law by educating the Nations's employers and employees of their rights and responsibilities under IRCA. Results to date indicate that the informational and educational efforts are effective and that compliance is improving. Many violations of sanctions provisions are minor and easily corrected through voluntary efforts by employers.

However, evaluations of the implementation of the sanctions program indicate that many employers do not yet have a complete understanding of the anti-discrimination requirements of the law and related guidelines. In addition, many workers are not familiar with the anti-discrimination provisions of the statutes. In order to remedy these deficiencies and increase compliance with all aspects of the law, the 1991 request includes $884,000 for materials to be used in an anti-discrimination public information campaign directed at both employers and workers. Public announcements and bilingual printed materials will be developed and distributed as a part of this National effort.

Resources are also included for the Telephone Verification Project which will provide employers with a simple, effective means of determining a prospective employee's work eligibility in cases where there may be some uncertainty about an individual's work authorization documents. The availability of this information will encourage compliance with the employer sanctions statutory requirements. The budget includes $92,000 for this purpose.

Audit-Related Activities

The audit of INS, conducted by the Department of Justice Audit Staff and issued in February 1989, noted that the existing Financial Accounting and Control System (FACS) has numerous deficiencies and was an outmoded and labor intensive accounting system. To remedy this deficiency, the 1991 budget includes $400,000 to begin the conversion of FACS to the Department of Justice Financial Management Information System.

Program Decreases

Program decreases of 60 positions, 417 workyears and $22,127,000 are requested in order for INS to fund its mandatory increases of $ 41,095,000 and 132 FTE workyears and remain within the targeted budget levels established by the Administration. Also included in this request are A-76 management and productivity savings of 110 positions, 110 workyears and $643,000 from the Information and Records Management program, and a reduction of $13,133,000 in data and communications systems costs which will be covered by the Examinations Fee Account. The A-76 savings will be possible by contracting out mail and file type activities to private industry. Additional reductions of $7,849,000 are requested to absorb the costs to implement P.L. 101-173, the act amending the method by which premium pay is determined for irregular unscheduled overtime duty.

Immigration and Naturalization Service
Salaries and expenses
Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For expenses, not otherwise provided for, necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including not to exceed $50,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate; purchase for police-type use (not to exceed [620] for replacement only) without regard to the general purchase price limitation for the current fiscal year, and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; and research related to immigration enforcement; [$828,300,000], of which not to exceed $400,000 for research and [$7,188,000] for construction shall remain available until expended: Provided, That none of the funds available to the Immigration and Naturalization Service shall be available for administrative expenses to pay any employee overtime pay in an amount in excess of $25,000: Provided further, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year[: Provided further, That for fiscal year 1990 and hereafter capital assets acquired by the Immigration Legalization account may be made available for the general use of the Immigration and Naturalization Service after they are no longer needed for immigration legalization purposes: Provided further, That title 8, United States Code, section 1356(n) is amended by deleting "in excess of $50,000,000 after "Immigration Examinations Fee Account," and by deleting "At least annually, deposits in the amount of $50,000,000 shall be transmitted from the 'Immigration Examinations Fee Account' to the General Fund of the Treasury of the United States": Provided further, That not to exceed $5,000 shall be available for official reception and representation expenses]. (94 Stat. 96-98; 22 U.S.C. 1621-1645; 50 U.S.C. App. 2001-2017; Department of Justice Appropriations Act, 1990; additional authorizing legislation to be proposed.)

504

$884,349,000

17,188,000

[For carrying out efforts at National Drug Control and the President's initiative to combat violent crime, $16,891,000, for additional Border Patrol agents to improve drug interdiction efforts and for additional investigators and other staff needed to increase the apprehension and detention of criminal aliens.] (Department of Transportation and Related Agencies Appropriations Act, 1990.)

Explanation of changes

1. The first change reducing the limitation on the purchase of passenger vehicles will nevertheless, accommodate the Service's replacement needs.

2. The second change will allow the Service to use an additional $10,000,000 appropriated for construction on a no-year basis.

3. The third change deletes language enacted on a permanent basis in 1990 which will no longer be required.

4. The fourth change deletes language enacted on a one-time basis in the Department of Transportation's annual appropriations act.

Immigration and Naturalization Service

Salaries and expenses

Crosswalk of 1990 Changes

(Dollars in thousands)

Activity/Program	1990 President's Budget Request			Congressional Appropriation Actions on 1990 Request			1990 Sequestration			Reprogrammings			1990 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
1. Enforcement															
a. Inspections	1,069	1,515	578,682	-10	10	257			-8,281	-2	-2	-129	1,057	1,523	570,530
b. Border Patrol	4,941	4,477	266,758	-81	92	2,400			-5,897	-8	-8	-326	4,852	4,561	262,647
c. Investigations	1,976	1,621	104,073	-347	-92	-8,775			-721	-2	-2	-806	1,627	1,529	94,871
d. Anti-Smuggling	343	329	19,895	9	2	172			-72			-30	352	331	19,965
e. Detention and Deportation	1,544	1,586	150,774	-5	-6	1,210			-988	-2	-2	170	1,537	1,578	151,316
f. Employer and Labor Relations	51	50	3,030			40			-14			-4	51	50	3,080
Subtotal	9,904	9,500	623,442	-414	6	-9,176			-2,093	-14	-14	-756	9,476	9,512	612,817
2. Citizenship and Benefits															
a. Adjudications and Nats	1,160	1,148	56,507	-1,159	-1,147	-56,507				-1	-1				
b. Refugees and Overseas	104	175	11,795		2	64			-42	1	1		105	178	11,817
Subtotal	1,264	1,323	68,302	-1,159	-1,145	-56,523			-42				105	178	11,817
3. Immigration Support															
a. Training	180	97	10,913	1	1	98			-35			-12	181	98	10,956
b. Data and Communications Systems	215	198	52,117	7	11	1,380			-109	1	1	-78	223	208	53,286
c. Information and Records Mgmt.	1,137	1,219	69,113	-47	-28	2,721			-105	-3	1	-68	1,087	1,192	[illegible]
d. Intelligence	50	51	2,735	5	1	42			-38			-4	55	52	2,763
e. Research and Development	4	4	537						-2				4	4	535
f. Construction and Engineering	15	16	6,900	1	1	21			-25			-8	16	15	6,972
g. Field Management and Support	288	278	17,747	14	6	603			-64			-20	302	284	18,366
h. Legal Proceedings	547	444	28,605	58	-6	56			-351	2	2	-32	607	450	28,606
Subtotal	2,156	2,329	168,827	97	18	11,309			-617	-6	6	-206	2,253	2,309	179,013
4. Program Direction															
a. Exec. Direction and Control	90	81	6,196	0	1	295			-25	9	9	488	99	91	6,954
b. Administrative Services	428	404	32,112	16	15	1,031			-121	11	11	474	455	430	33,496
Subtotal	518	485	38,308	16	16	1,326			-146	20	20	962	554	521	40,450
Total	14,030	13,725	898,934	-1,642	-1,175	-51,768			-2,896				12,388	12,509	842,297

Congressional Appropriation Actions: P.L. 101-162 and P.L. 101-164 reduced the 1990 President's Budget Request by -1,780 positions, -1,175 workyears, and -$51,768,000. Other adjustments were necessary to support the enacted 1990 appropriation.

1990 Sequestration: Decreases are required by the Omnibus Budget Reconciliation Act of 1989 to meet budget levels established by Sequestration in 1990.

Reprogrammings: The reprogramming of positions, workyears, and budget authority reflects the effect of a permanent reprogramming in 1989.

Immigration and Naturalization Service

Salaries and expenses

Summary of Requirements

(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990	12,742	12,350	$828,300
Department of Transportation and Related Agencies Appropriation Act, 1990 Emergency Drug Funding	...	...	16,891
1990 as enacted	12,742	12,350	845,191
Adjustment to permanent positions and workyears	-354	230	...
1990 Sequestration	...	...	-2,894
1990 appropriation anticipated	12,388	12,580	842,297
Mandatory increases	...	132	55,664
Decreases	...	...	-14,569
1991 base	12,388	12,712	883,392

Estimates by budget activity	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Enforcement	9,476	9,572	$611,017	9,476	9,692	$646,710	9,789	9,573	$656,040	313	-119	($9,330)
2. Citizenship and Benefits	105	170	11,017	105	170	13,160	105	140	12,043	0	-30	-1117
3. Immigration Support	2,253	2,317	179,813	2,253	2,321	181,407	2,124	2,046	179,377	-129	-275	-2,030
4. Program Direction	554	521	40,450	554	521	42,115	504	473	48,909	-50	-48	6,794
Total	12,388	12,580	842,297	12,388	12,712	883,392	12,522	12,260	896,369	134	-452	12,977

FTE Employment:	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
Full-time permanent	11,025	3,340	14,365	11,149	3,299	14,448	11,134	3,314	14,448	-15	15	...
Other	800	725	1,525	800	456	1,256	696	456	1,152	-104	...	-104
	11,825	4,065	15,890	11,949	3,755	15,704	11,830	3,770	15,600	-119	15	-104

Immigration and Naturalization Service

Salaries and expenses

Summary of Resources by Program

(Dollars in thousands)

Estimates by Program	1989 as Enacted			1989 Actual			1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm Pos	WY	Amount	Perm Pos	WY	Amount	Perm Pos	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Enforcement:																		
Inspections	1,171	1,930	$72,641	1,109	1,300	$67,987	1,057	1,523	$78,730	1,067	1,523	$82,502	1,161	1,473	$80,527	94	-50	-1,975
Border Patrol	5,093	4,504	233,090	5,005	4,651	206,437	4,852	4,961	262,047	4,852	4,561	276,500	5,082	4,636	290,504	230	75	14,004
Investigations	1,906	1,401	86,061	1,904	1,676	87,049	1,627	1,539	98,071	1,627	1,584	103,471	1,650	1,551	97,097	23	-33	-6,374
Anti-Smuggling	384	307	19,325	394	325	19,366	352	331	19,903	352	331	22,077	338	318	20,552	-14	-13	-1,525
Detention and Deportation	1,613	1,564	137,052	1,611	1,657	155,317	1,537	1,570	151,300	1,537	1,643	157,861	1,537	1,547	151,611	...	-96	-6,250
Employee and Labor Relations	57	52	3,016	57	36	3,400	51	50	3,880	51	50	4,231	51	48	4,611	...	-2	380
Subtotal	10,424	9,628	551,323	10,430	9,523	580,305	9,476	9,572	613,087	9,476	9,690	646,730	9,789	9,573	645,000	313	-119	-1,536
Citizenship and Benefits:																		
Adjudications and Naturalization	1,307	1,288	53,851	1,301	1,391	27,586	...	...	...	...	...	...	...	...	...	...	...	...
Refugees and Overseas	116	102	10,511	117	126	11,550	105	170	11,017	105	170	13,169	105	140	12,043	...	-30	-1,126
Subtotal	1,423	1,390	64,362	1,418	1,517	39,136	105	170	11,017	105	170	13,169	105	140	12,043	...	-30	-1,126
Immigration Support:																		
Training	80	80	9,230	80	103	13,990	101	96	10,596	101	108	11,103	107	101	10,871	6	-7	-232
Data and Communications Systems	200	219	56,870	239	301	39,000	221	208	59,308	221	208	95,134	181	170	80,309	-40	-38	-14,825
Information and Records Management	1,353	1,300	47,330	1,350	1,309	45,135	1,067	1,192	51,380	1,067	1,192	54,140	1,012	1,086	52,381	-55	-106	-1,759
Intelligence	55	53	2,632	55	46	2,976	55	52	2,763	55	52	3,089	52	49	2,864	-3	-3	-225
Research and Development	4	4	535	4	2	215	4	4	535	4	4	560	4	4	530	...	...	-30
Construction and Engineering	17	10	6,009	17	20	8,073	16	15	6,972	16	15	7,110	13	12	24,101	-3	-3	16,991
Field Management and Support	310	309	17,203	310	330	16,077	302	306	18,306	302	309	20,079	289	269	18,444	-13	-40	-1,635
Legal Proceedings	613	516	25,050	611	600	26,650	487	458	28,696	487	458	30,193	466	428	28,993	-21	-30	-1,200
Subtotal	2,609	2,507	166,135	2,603	2,600	154,301	2,253	2,380	170,013	2,253	2,381	181,300	2,124	2,086	178,215	-129	-275	-3,115
Program Direction:																		
Executive Direction and Control	106	156	9,055	113	104	13,531	99	93	6,906	99	93	7,143	92	86	6,840	-7	-7	-303
Administrative Services	458	446	30,568	469	536	33,590	455	428	33,096	455	428	30,974	412	387	42,051	-43	-41	7,077
Subtotal	562	600	40,223	582	640	47,121	554	521	40,002	554	521	42,115	504	473	48,909	-50	-48	6,794
Total	15,293	14,225	822,023	15,293	14,176	800,973	12,308	12,500	862,207	12,308	12,712	893,302	12,522	12,300	884,309	[illegible]	-492	957
Reimbursable Workyears		2,854			2,845			4,085			3,755			3,770			15	
Total Workyears		17,079			17,021			16,601			16,467			16,030			15	
Other Workyears:																		
Holiday		2,470			2,470			2,470			2,470			2,505			35	
Overtime:																		
AUO		800			800			800			800			800			...	
Other		1,000			1,000			1,000			1,000			1,105			105	
Total compensable workyears		21,349			21,291			20,915			20,737			20,900			215	

Immigration and Naturalization Service

Salaries and expenses
Justification of Program and Performance

Activity Resources Summary
(Dollars in thousands)

Activity: Enforcement

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections................	1,057	1,523	$78,338	1,057	1,523	$82,582	1,161	1,473	$80,607	104	-50	-$1,975
Border Patrol...............	4,852	4,561	262,647	4,852	4,561	276,488	5,052	4,636	290,504	200	75	14,016
Investigations..............	1,627	1,529	94,871	1,627	1,584	103,471	1,650	1,551	97,097	23	-33	-6,374
Anti-Smuggling..............	352	331	19,965	352	331	22,077	338	318	20,552	-14	-13	-1,525
Detention and Deportation...	1,537	1,578	151,316	1,537	1,643	157,869	1,537	1,547	151,611	...	-96	-6,258
Employer and Labor Relations	51	50	3,880	51	50	4,231	51	48	4,811	...	-2	580
Total......................	9,476	9,572	611,017	9,476	9,692	646,718	9,789	9,573	645,182	313	-119	-1,536

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections................	1,057	1,523	$78,338	1,057	1,523	$82,582	1,161	1,473	$80,607	104	-50	-$1,975

Long-Range Goal: Ensure that the entry of applicants for admission into the United States is controlled in a manner that is consistent with the National interest, facilitate the entry of qualified applicants, and identify and deny admission to those not qualified; provide support to the Adjudications program by approving or denying applications and petitions for benefits that are sent to ports of entry for remote adjudication during inspector standby time; and issue Border Crossing Cards at ports of entry.

Major Objectives:

Inspect (in cooperation with other Federal agencies) all applicants for admission into the United States.

Facilitate the entry of qualified persons through ports of entry.

Prevent the entry of inadmissible applicants through ports of entry.

Detect fraudulent documents including those representing false claims to U.S. citizenship or permanent residence status and seize conveyances used for illegal entry.

Adjudicate applications and petitions at ports of entry in order to efficiently utilize inspector standby time.

Base Program Description: The function of this program is to enforce and administer the immigration and nationality laws with respect to the inspection of all persons seeking admission into the United States. Applicants for admission into the United States are inspected at ports of entry to determine if they qualify for admission and if so, under what conditions. This process is coordinated with the Department of State, U.S. Customs Service, Department of Agriculture and local port authorities. Determination of inadmissibility is based on examination of the applicant, related documents or prior information. Local and National lookout systems containing information relating to excludable aliens are available for use at each port of entry. Inadmissable aliens are denied entry into the United States. Any criminal activity discovered in the inspection process is referred for appropriate investigation. Applications and petitions for a full range of benefits under the immigration laws are adjudicated during periods of standby time at most ports of entry during non--peak workload hours. Applications for Border Crossings Cards are presented directly to ports located on the United States/Mexican border where they are adjudicated and issued by inspection personnel.

Accomplishments and Workload: Accomplishments of the Inspections program are presented in the following table:

			Estimate	
Item	1988	1989	1990	1991
Persons Inspected-Appropriated...	341,078,321	377,537,247	414,000,000	414,000,000
Persons Inspected-User Fee.......	48,351,522	51,163,204	54,000,000	54,800,000
Inadmissible Aliens Intercepted - Appropriated..................	725,932	766,443	804,000	804,000
Inadmissible Aliens Intercepted - User Fee.......................	76,123	77,006	80,000	80,000
Remote Adjudications Completed....	911,116	723,792	725,000	725,000
Border Crossing Cards Issued......	200,000	181,951	200,000	200,000
Seizures of Illegal Drugs.........	2,671	2,329	2,450	2,450

Explanation

During 1989, the Inspections program experienced very high workload levels. Total inspections were 428,700,451, of which approximately 134,000,000 involved U.S. citizens. A total of 843,449 inadmissible aliens were intercepted, representing a rate of 2.0 detections per 1,000 inspections, continuing the high level of interceptions noted in recent years. Improvements in methodology and techniques of detecting fraudulent attempts at entry into the United States are ongoing. Significant rises were noted in measures pertaining to detecting inadmissible alien applicants. Operational innovations leading to improvements in both border enforcement and facilitation of international travel continued to receive priority during the past year.

With the passage of P.L. 99-500, the Department's 1987 Appropriation Act, an Inspections User Fee Account was established. This legislation, which provides for the collection of a $5 user fee from each U.S. citizen and alien arriving in the United States from foreign locations (other than Mexico, Canada or adjacent islands) by commercial air or sea transportation, has allowed the Inspections program to provide more effective services at all airports and seaports Nationwide. On a continuing basis, INS is now able to supplement its appropriated resources by charging the Immigration User Fee Account for the cost of existing and new officers at certain locations, including inspectional overtime, costs associated with improved fraud detection, and other related activities.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Inspections....................................	1,057	1,523	$82,582	1,161	1,473	$80,607	104	-50	-$1,975

The extensive use of temporary Immigration Inspectors is a problem in the operation at the land border ports of entry. Because temporary Immigration Inspectors receive only on-the-job training and no formal training, they never achieve the performance and productivity levels of the permanent staff. INS was criticized in a recent DOJ audit for heavy reliance on temporary employees. The audit report specifically cited the lack of formal training of these employees. To address these concerns, the 104 officers now employed on a temporary basis at land border locations should be replaced with permanent officers. In the Southern region nine ports of entry with 47 positions would be affected by this change. In the Western region six ports of entry with 55 positions would be affected, while the Eastern region has two such positions at only one port.

The land border inspections function has received only limited additional resources since 1985. Increased flows have been managed primarily by productivity improvements and the more efficient allocation of resources. The replacement of 104 temporary inspectors with permanent personnel will have a positive impact on productivity at all affected ports-of-entry. This change requires 104 additional permanent positions, and $1,306,000. The additional funding is for salary, overtime and benefits costs. No additional workyears are required to accomplish this change since these workyears are already in the base.

Program decreases of -50 workyears and -$3,281,000 are necessary for the Immigration and Naturalization Service to meet budget targets established by the Administration and more closely align authorized positions with funded workyears.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Border Patrol...........	4,852	4,561	$262,647	4,852	4,561	$276,488	5,052	4,636	$290,504	200	75	$14,016

Long Range Goal: Ensure that the entry of persons into the United States between ports of entry is controlled in a manner that is consistent with the National interest as established and provided by Congress by preventing entry of persons who have not been inspected and by detecting and apprehending illegal aliens within the United States.

Major Objectives:

Deter uncontrolled entry into the interior of the United States by the rapid detection, interception, and apprehension of illegal entrants at or near the border.

Between ports of entry, interdict drug smugglers, potential terrorists and criminals or deter them from attempting illegal entry.

Cause persons seeking admission into the United States to present themselves at designated ports for inspection.

The requested resource increases will: (1) augment the Patrol's enforcement effort on the Nation's land borders by increasing the hours of border linewatch and traffic checkpoint coverage, and (2) enhance the productivity of operations through the use of electronic surveillance and detection equipment to extend the area of coverage by agents on the line.

Base Program Description: The function of this program is to deter or prevent illegal entry or locate and apprehend aliens and other illegal entrants at or near the border. The Border Patrol has primary responsibility for drug interdiction between the ports of entry on the southern land border. In addition, the Patrol conducts numerous interagency drug task force operations with other Federal, State and local law enforcement agencies through its participation in Operation Alliance along the southern border. To further assist the Border Patrol in this endeavor, all Border Patrol agents receive Drug Enforcement Administration Title 21 cross-designation authority in their basic training in Glynco, Georgia. Border Patrol officers engaged in surveillance activities to prevent entry or apprehend those who have illegally crossed the borders are supported by computer-monitored electronic ground sensors which alert them to illegal entries. Additional support is provided by observation aircraft, low light level television systems and infrared viewing devices. Patrol officers use a wide assortment of vehicles adapted to local terrain and operational requirements, including motorcycles, all-terrain vehicles, boats and horses. In addition, linewatch traffic check operations are conducted along major routes

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Border Patrol.................	4,852	4,561	$276,488	5,052	4,636	$290,504	200	75	$14,016

Increases of 200 positions, 75 workyears and $6,727,000 are requested to enhance the commitment of personnel to the Patrol's successful drug interdiction efforts, a critical element in the Nation's anti-drug strategy.

The increase in funded workyears will be used to fill Border Patrol agent positions on the southwest border. The additional agents will provide for an enhanced border control program by increasing the hours of border linewatch and traffic checkpoint coverage. One of the most productive areas in the interception of illegal drugs for the Patrol is through the use of checkpoint operations. Checkpoint activities provide the agents with the ability to seize drugs being smuggled along the highways, as well as, arrest illegal alien smugglers away from the border. Drug smugglers that are detected at the checkpoints have either successfully escaped detection at the ports of entry or the loads have been "muled" across the border and then loaded into vehicles for transport into the interior of the country. The increase in agents, combined with the use of canines trained in sniffing out concealed drugs or people, will expand the effectiveness of traffic checkpoints. In addition to the traffic checks, the additional agents will provide for quicker responses to the numerous sensor intrusion alerts along the border, which often result in the interception of illegal aliens and narcotics smugglers. The increased number of agents will also enable the Patrol to respond to the alerts with the appropriate size of tactical force, particularly when confronting criminal aliens armed with automatic weapons, and to counter the increase in drug smuggling across the border. It is anticipated that as the Anti-Drug Act resources added to the U.S. Coast Guard and Customs Service begin to affect the smuggling operations, drug traffickers will be forced to use ground routes between the ports of entry that are the Patrol's area of responsibility.

An increase of $8,600,000 is requested for the Border Patrol to purchase low-light-level television (LLLTV) Systems, infrared night scopes, and portable ground sensors with mobile sensor receivers. The increased use of technology will enhance the productivity of Border Patrol operations and allow the Patrol to achieve higher apprehension levels.

The first line of defense for border enforcement requires the ability to detect and locate illegal entries occurring between the ports of entry. The Patrol relies increasingly on electronic surveillance and detection equipment to provide around-the-clock support for extending the area of coverage of the agents on the line. Since many of the illegal entries are attempted under the cover of darkness, additional LLLTV systems and night vision scopes will be obtained to provide constant surveillance of the border in areas of high illegal alien traffic and alien and drug smuggling activities.

The mobile sensor systems consist of portable ground sensors and mobile sensor receivers. Because these mobile sensors are portable, they can be used to target areas for a limited period of time where alien smuggling activity is suspected. Use of the mobile sensors will allow task force operations to be conducted with minimal disruption of normal sector patrol operations.

of travel to restrict access to the interior by illegal aliens. Transportation centers are placed under surveillance for the same reason. The Border Patrol also assists in the enforcement of the Employer Sanctions program, which is designed to eliminate employment sources for illegal aliens.

Accomplishments and Workload: Accomplishments of the Border Patrol program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Deportable Aliens Apprehended	969,214	891,147	850,000	875,000
Smuggled Aliens Apprehended	50,122	50,876	48,500	50,800
Smugglers Apprehended	10,373	13,794	13,180	13,800

Border Patrol apprehensions in 1989 were down 8.1 percent nationwide from the previous year and have remained below the pre-IRCA levels for each of the last three years. However, apprehensions have been increasing along the Southern border since the latter half of 1989. In the last five months of 1989, apprehensions along the Southern border increased by 24.3 percent above the same period in 1988. Other-than-Mexican (OTM) apprehensions increased from 34,305 in 1987 to 60,162 in 1989. The majority of the OTM's are from politically unstable and economically stressed Central American countries.

As part of the Administration's Southwest Border Drug Task Force, Operation Alliance, the Border Patrol increased its drug interdiction efforts along the southwest land border. The Patrol plays a key role in drug interdiction between the land ports of entry. Cross-designation authority and drug training have enhanced the Border Patrol Agent's ability to intercept narcotics being smuggled across the border. Mobile corridor task forces have concentrated Border Patrol resources into known drug trafficking areas that have produced a significant increase in the seizures of illegal drugs along the border. In 1989 the Patrol surpassed the number of seizures for both cocaine and marijuana over 1988's record level. In 1989 the Border Patrol seized 25,748 pounds of cocaine compared to 13,006 pounds in 1988, and 503,003 pounds of marijuana up from 321,483 pounds in 1988. The total number of drug seizures was 5,441 in 1989, a 67 percent increase over the 3,257 drug seizures in 1988.

The Patrol has instituted a canine program for the detection of aliens and narcotics being smuggled into the United States. The dogs have been successful in the detection of drugs and aliens, working primarily on traffic checkpoint inspections. The canine program has also been involved in a drug education and awareness program. The Patrol actively participates in school drug education programs, with over 9,787 individual school presentations made to a total audience of over 967,230 students.

INS has placed greater emphasis on criminal alien apprehensions and enhanced narcotics interdiction activities. These efforts will continue to result in the removal of an increasing number of criminal aliens and narcotics smugglers from the United States. The Border Patrol criminal alien program facilitates the apprehension of criminal aliens within the surrounding border areas, thereby reducing the number of crimes committed against both United States citizens and aliens.

As such, they will be a critical component of the Patrol's strategy to increase its drug interdiction efforts without impeding accomplishment of its basic statutory mission.

An additional $1,000,000 is requested to increase the Patrol's canine program and air surveillance activities, and to construct physical security devices along the southern border. The canines will be used in several border enforcement roles such as detecting aliens being smuggled across the border in vehicles and train box cars. Additional aircraft operations are vital for rapid response to the numerous sensor alerts and to assist in the tracking of people and vehicles along the border. Various physical security devices are needed in several locations to prevent alien and narcotic smuggling loads from being driven across the border and onto highways leading away from the border areas.

A program change of $897,000 is requested in order to meet funding levels established by the Administration.

A decrease of -$3,208,000 is necessary to absorb the costs to implement P.L. 101-173. These reductions will be made in travel, transfers and other general expense items. This law amends 5 U.S.C. 5545 (c)(2) allowing that effective October 1, 1990, the payment of administratively uncontrollable overtime will be paid on a maximum rate of 25 percent of the rate of basic pay for a position instead of being based on the salary of GS 10 step 1.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Investigations............	1,627	1,529	$94,871	1,627	1,584	$103,471	1,650	1,551	$97,097	23	-33	-$6,374

Long Range Goal: Enforce the Immigration and Nationality Act within the interior of the United States; identify law violators and gather evidence of violations of the Immigration and Nationality Act and related criminal laws; and initiate appropriate criminal prosecution or provide information to support administrative action to effect removals from the United States.

Major Objectives:

Investigate and apprehend aliens who commit major criminal offenses, with emphasis on international criminal alien organizations involved in narcotics trafficking, subversion, terrorism, and other serious or violent criminal activities.

Identify employers who violate Section 101 of the Immigration Reform and Control Act (IRCA) of 1986 by hiring aliens not authorized to work in the United States and deter the employment of illegal aliens through education or institution of fines and prosecution of such employers.

Prosecute and deter arrangers and facilitators who conspire with and assist aliens to fraudulently obtain immigration benefits or perpetrate major fraud schemes.

Prosecute aliens who illegally apply for and collect benefits from government entitlement programs, prevent the filing of fraudulent claims, and support civil proceedings to recover benefits illegally obtained.

Provide investigative support to other Service branches by locating aliens who have absconded from deportation or exclusion proceedings, develop grounds for denial of petitions and applications, and obtain government evidence in administrative proceedings.

Base Program Description:

The function of this program is to detect criminal law violations and identify violators through covert operations and other investigative procedures, and initiate criminal prosecution or administrative action. Cases investigated involve multinational criminal alien organizations engaged in racketeering, smuggling, counterfeiting, prostitution, official corruption, weapons and narcotics trafficking, employers who knowingly hire illegal aliens, and individual aliens who entered the United States illegally to find employment. Investigative task forces concentrate the resources of a local office, or combine the resources of several offices, to identify the members and activities of a criminal organization. Administrative investigations are accomplished through traditional investigative techniques, such as interviews at places of residence and employment, and reviews of civil and business records. Investigations often require the service of subpoenas and search warrants to obtain evidence or to gain access to employment sites where illegal aliens are working.

Accomplishments and Workload: Accomplishments of the Investigations program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Cases received	48,308	64,404	64,500	64,500
Cases completed	37,052	55,851	56,000	56,500
Cases completed resulting in adverse action against illegal aliens 1/	16,672	24,556 2/	24,600	24,900
Cases authorized for prosecution	6,211	6,063	6,100	6,200
Deportable Aliens Apprehended	37,026	60,989	61,000	61,000
Productivity: Cases completed per workyear	28	30.2	33.2	33.0
Apprehensions per workyear	28	36.3	39.8	39.3
Employer Compliance Inspections	...	14,706	14,700	14,700

1/ An adverse action against the subject of an investigation may include: conviction, deportation, denial of benefits, termination of benefits, and/or recovery of funds.
2/ Workload data differs from 1991 President's Budget due to updated statistical information received in the interim.

The focus of the Investigations Program reflects three basic enforcement priorities of the Immigration and Naturalization Service: enforcement of employer sanctions, removal of criminal aliens, and detection and deterrence of fraud. Recently enacted legislation has been a catalyst to traditional enforcement efforts in Investigations.

IRCA requires expeditious deportation proceedings against any alien convicted of an offense which renders him or her deportable.

The Anti-Drug Abuse Act of 1986 broadened the range of drug violations subjecting an alien offender to exclusion or deportation, and requires that INS respond promptly to referrals of aliens arrested for controlled substance violations.

The Marriage Fraud Amendments Act and IRCA expanded INS' obligations and ability to detect and deter fraud during the legalization process, the employment eligibility verification process, and the acquisition of legal benefits through spousal and fiance(e) relationships.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Investigations...............	1,627	1,584	$103,471	1,650	1,551	$97,097	23	-33	-$6,374

Program decreases of -33 workyears and -$3,891,000 are necessary for the Immigration and Naturalization Service to meet budget targets established by the Administration.

A decrease of -$2,483,000 is necessary to absorb the costs to implement P.L. 101-173. These reductions will be made in travel, transfers and other general expense items. This law amends 5 U.S.C. 5545 (c)(2) allowing that effective October 1, 1990, the payment of administratively uncontrollable overtime will be paid on a maximum rate of 25 percent of the rate of basic pay for a position instead of being based on the salary of GS 10 step 1.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Anti-Smuggling...........	352	331	$19,965	352	331	$22,077	338	318	$20,552	-14	-13	-$1,525

Long Range Goal: Reduce the number of illegal aliens entering the United States by conducting pro-active criminal investigations that target major alien smuggling conspiracies.

Major Objectives:

Identify smugglers of illegal aliens.

Investigate and apprehend smugglers of illegal aliens, concentrating resources on major violators.

Prepare sufficient evidence to support U.S. Attorneys in obtaining convictions of smuggling violators.

Increase deterrent efforts such as conveyance seizures, drug seizures, extraterritorial prosecutions, fines and sentences.

Base Description: The Anti-Smuggling program has as its primary function the curtailment and prevention of the growth of the illegal immigrant population in this country by locating, apprehending and prosecuting alien smugglers involved in extensive smuggling operations, and by locating and apprehending those deportable aliens who use such means to enter the country without detection. While the large majority of alien smugglers apprehended by INS enforcement personnel are considered minor violators who operate independently and infrequently, a growing number of these violators are associated with large-scale, highly organized criminal conspiracies. Quite often, these professional organizations are simultaneously involved in other illegal activities such as narcotics and weapons smuggling, extortion, kidnapping, peonage, and document fraud on an international scale. Special Agents identify these organizations through interviews, the use of informants, surreptitious surveillance, as well as, undercover and task force operations.

Accomplishments and Workload: Accomplishments of the Anti-Smuggling Program are presented in the following table:

			Estimates	
	1988	1989	1990	1991
Smuggling Principals Apprehended (Anti-Smuggling)	8,898	2,540*	3,175	3,810
Smuggling Principals Apprehended (Servicewide)	13,200	14,455*	13,573	13,987
Cases Completed	6,138	2,614	3,137	3,764
Prosecutions				
Major	850	1,248	1,360	1,482
Minor	3,650	291	317	345
Convictions (Defendants):				
Felony	1,121	1,306	1,631	2,019
Misdemeanor	3,698	396*	411	431
Sentences (Months-All Charges)	24,758	17,779	18,668	19,601
Conveyances Seized	9,677	14,400	14,700	14,900

*Decreases in these categories reflect both the loss of a large number of senior and skilled agents to other programs and an emphasis on high priority, complex cases.

The increased focus on reducing illegal immigration is reflected in the higher numbers of alien smugglers apprehended and successfully prosecuted. The Service apprehended 14,455 smuggling principals in 1989. A total of 1,539 cases were prosecuted in 1989, resulting in 1,702 individuals convicted. As an adjunct to criminal prosecutions, the Service seized 14,400 conveyances (cars, trucks, vessels, and airplanes) used in smuggling.

In 1989 and continuing into 1990, the Anti-Smuggling program will focus on the identification, apprehension and prosecution of major alien smuggling organizations, particularly in those instances where there is the likelihood of conspiracy. The program continues to concentrate extensive investigative efforts against broadly diversified smuggling organizations engaged in infant smuggling, hostage/extortion situations, corporate smuggling, drug and counterfeit document trafficking, and terrorist activities. Since 1986, the program has been a part of the Southwest Border Interdiction Program under Operation Alliance. One hundred and twenty-three of its special agents are cross designated in support of drug interdiction activities.

In 1989, the Anti-Smuggling program implemented a Productivity Improvement Program designed to determine the most cost effective placement of resources by standardizing the process of evaluating performance in the conduct of criminal investigations at the agent and unit level. Through the collection and evaluation of such performance measures as the efficiency, quality, timeliness and effectiveness of investigative efforts and program operations, a more cost effective deployment of resources resulted.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Anti-Smuggling................	352	331	$21,077	338	318	$20,552	-14	-13	-$1,525

Program decreases of -14 positions -13 workyears and -$761,000 are necessary for the Immigration and Naturalization Service to meet budget targets established by the Administration.

A decrease of -$764,000 is necessary to absorb the costs to implement P.L. 101-173. These reductions will be made in travel, transfers and other general expense items. This law amends 5 U.S.C. 5545 (c)(2) allowing that effective October 1, 1990, the payment of administratively uncontrollable overtime will be paid on a maximum rate of 25 percent of the rate of basic pay for a position instead of being based on the salary of a GS 10 step 1.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Detention and Deportation.............	1,537	1,578	$151,316	1,537	1,643	$157,869	1,537	1,547	$151,611	...	-96	-$6,258

Long Range Goal: Detain, until ready for removal, aliens subject to exclusion and deportation proceedings who are likely to abscond or represent a danger to public safety and security. Maintain and further develop a system that ensures that every case involving a deportable or excludable alien is processed expeditiously and that the alien is removed from the United States when appropriate.

Major Objectives:

Promptly remove deportable and excludable aliens and avoid detention to the greatest extent possible.

Ensure that adequate alien detention capability is available by staffing and maintaining seven accredited INS Service Processing Centers (SPCs), and detaining aliens when necessary in non-INS facilities which meet INS standards.

Allow apprehension activities to operate at full capacity by quickly removing detained aliens.

Base Program Description: The Detention and Deportation program is a critical element in the structure of the Service. Its functions are the detention, exclusion, explusion, removal, parole and deportation of aliens. Service and non-Service (contract) facilities are used to detain, until ready for removal, those aliens subject to deportation or exclusion proceedings who are likely to abscond or whose freedom at large would clearly represent a present danger to public safety and security. In the performance of the deportation function, the Service maintains a system of controls that ensures that every case involving a deportable alien is efficiently and correctly processed and, if necessary, the alien's removal from the country is effected promptly.

Accomplishments and Workload: Accomplishments of the Detention and Deportation program are presented in the following table:

			Estimates	
	1988	1989	1990	1991
Detention				
a. Aliens detained (Total)..........	92,799	104,639	95,850	98,300
INS Facilities.................	51,527	74,925	53,676	56,126
Non-Service Facilities.........	41,272	60,075	42,174	42,174
b. Number of detention days.........	1,408,966	2,349,970	2,132,610	2,187,660
INS Facilities................	766,188	1,234,073	1,167,834	1,222,884

			Estimates	
	1988	1989	1990	1991
Non-Service Facilities.........	642,778	1,115,897	964,776	964,776
c. Average stay in detention (days).	15.2	22.5	22.2	22.2
Expulsions				
a. Aliens expelled (b+c+d+e)........	939,853	861,169*	706,735	706,735
b. Voluntary departures under docket control........................	13,345	30,686	25,183	25,183
c. Voluntary departures not under docket control.................	900,866	796,793	653,904	653,904
d. Deportations effected............	23,178	30,097	24,700	24,700
e. Exclusions effected.............	2,464	3,593	2,948	2,948
f. Deportable aliens located, percentage expelled...............	96%	93%	93%	93%
g. Expelled aliens, percentage detained.......................	9.9%	12.1%	13.5%	13.5%
Recognizance, Bond and Supervision				
a. Aliens released on recognizance..	7,064	11,040	12,000	12,000
b. Aliens placed on bond............	20,288	27,797	30,000	30,000
c. Aliens placed under supervision..	154	187	200	200

*Workload data differs from 1991 President's Budget due to updated statistical information received in the interim.

The Detention program accomplished its mission during 1989 through the operation of seven SPCs. Through an expansion program, the combined rated capacity of these seven facilities is now 2,239 detainees. INS utilizes six private contract detention facilities, located in Los Angeles, El Centro, Denver, Laredo, Houston, and Seattle. These facilities provide 673 bed spaces for INS. A standard statement of work for contract facilities has been developed and will be used for future contracts with private sector entities. INS also contracts with over 900 state and local prisons and jails for bedspace to detain aliens. In 1989, 774,321 detention days were provided through contract sources.

Congressional appropriations language prohibits INS from detaining criminal aliens at Krome Service Processing Center in South Florida until its security rating is high enough to allow the use of the facility for potentially violent felons awaiting deportation. Approximately 180 convicted criminal aliens are released from Federal, State and local facilities per month in the Miami District. In addition, INS enforcement efforts in the Miami District have located 1,798 criminal aliens in 1989. Placement of these criminals in facilities outside of Florida is extremely expensive and inefficient. Therefore, INS is seeking funding for the construction of a 300-bed Level 3 men's dormitory on Service-owned land at the Krome facility. This item is discussed in further detail under the Justification of Program and Performance material for the Construction and Engineering program.

This request also reflects the transfer of base resources totalling $2,400,000 from the Detention and Deportation program to the Construction and Engineering program for the renovation and maintenance of detention facilities. Additionally, in 1990 the Administration plans to use $10,000,000 in excess asset forefeiture funds to increase detention space at 5 existing detention facilities.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Detention and Deportation....	1,537	1,643	$157,869	1,537	1,547	$151,611	...	-96	-$6,258

Program decreases of -96 workyears and -$5,953,000 are necessary for the Immigration and Naturalization Service to meet budget targets established by the Administration and more closely align authorized positions with funded workyears.

A decrease of -$305,000 is necessary to absorb the costs to implement P.L. 101-173. These reductions will be made in travel, transfers and other general expense items. This law amends 5 U.S.C. 5545 (c)(2) allowing that effective October 1, 1990, the payment of administratively uncontrollable overtime will be paid on a maximum rate of 25 percent of the rate of basic pay for a position instead of being based on the salary of GS 10 step 1.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Employer and Labor Relations.	51	50	$3,880	51	50	$4,231	51	48	$4,811	...	-2	$580

Long Range Goal: Advance cooperation and voluntary compliance of employers, labor organizations, workers and other groups with the employer sanctions provisions of the Immigration Reform and Control Act (IRCA) of 1986. Oversee the establishment and operation of systems to verify the immigration status of aliens applying for benefits under Aid to Families with Dependent Children (AFDC), Medicaid, unemployment compensation, and food stamp programs as required in Section 121 of IRCA.

Major Objectives:

Advance cooperation and voluntary compliance of employers, labor organizations and workers with employer sanctions provisions of IRCA.

Provide information to the public, Congress and others regarding voluntary compliance aspects of IRCA.

Encourage the hiring of United States citizens and legal resident aliens.

Establish systems to verify the immigration status of applicants for benefits such as AFDC, Medicaid, unemployment compensation and food stamps.

The requested program increase will fund the reproduction and distribution of informational materials and the establishment of an Anti-Discrimination Campaign.

Base Program Description: The function of this program is to increase public understanding of employer and employee responsibilities under IRCA and to obtain voluntary compliance with the employer sanctions provisions of the Act. Employer and Labor Relations personnel inform employers and community groups of the employment requirements under IRCA and the associated criminal/civil penalities for violations. They counsel employers who are in violation of the law and create and assist in special initiatives to facilitate the availability and hiring of legally authorized workers.

In addition, it is a requirement of IRCA that an alien's immigration status be verified at the time of application for a benefit under certain entitlement progams administered by the Departments of Health and Human Services, Agriculture, Labor, and Education. The Employer and Labor Relations program is responsible for providing the verification system for the documentation and status of alien applicants. This system, known as the Systematic Alien Verification for Entitlements Program (SAVE), serves as a means of identifying trends and usage levels by the aliens of fraudulent, counterfeit or altered immigration documentation to obtain Federally subsidized benefits and employment in the United States.

Accomplishments and Workload: Accomplishments of the Employer and Labor Relations Program are presented in the following table:

			Estimates	
Item	1988 1/	1989	1990	1991
Servicewide Informational and Educational Contacts	...	963,191	500,000	500,000
Servicewide Public speaking engagements (participation in seminars and conferences, discussions with trade, professional and labor organizations)	...	1,302	650	650
State agencies participating in SAVE (Systematic Alien Verification Entitlement) Program	...	92	150	150
Queries made against SAVE database.....................	...	1,951,476	2,500,000	5,000,000

1/ Program began functioning as a separate unit in 1989.

Since the passage of IRCA in 1986, over two million employers have been educated regarding their requirements under the law. This has been accomplished through personal contacts, seminars, and discussions with community organizations, trade associations and agricultural groups. Radio and television ads were prepared and used. In addition, information packets were distributed to 12,000 colleges, universities and technical schools to inform students of documents required when seeking employment.

A plan was developed to identify and educate new businesses about their responsibilities under IRCA.

A plan was developed to re-educate businesses about IRCA at the conclusion of Service proceedings when they are found to be in violation of IRCA.

Programs were developed to distribute IRCA-related anti-discrimination material and information.

Systematic Alien Verification for Entitlements (SAVE) Program:

The SAVE Program has successfully established an automated database housed and maintained by a private contractor that contains over 25,000,000 Service Record "A" files. The SAVE Program is supported by the Alien Status Verification Index (ASVI) and has the capability of being accessed by seven different methods including voice data response via touch-tone telephone.

All 50 states and territories currently participate in SAVE verification resulting in the automated database being queried approximately 8,000 times per day. Each query is equivalent to a "check" against an INS record by an entitlement issuing authority in order to determine alien applicants eligibility for federal monies. During 1989, 1,951,476 queries were made to the ASVI database. These numbers are expected to increase as several more State agencies, the Department of Education, and the Department of Housing and Urban Development begin using the system.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Employer and Labor Relations..................	51	50	$4,231	51	48	$4,811	...	-2	$580

An increase of $884,000 is requested for the reproduction and distribution of informational pamphlets and flyers and public service announcements to enhance public awareness of the sanctions provisions of IRCA, with particular emphasis on the establishment of an Anti-Discrimination Campaign.

Section 102 of IRCA contains provisions prohibiting employment discrimination on the basis of national origin and citizenship status. Although the Employer and Labor Relations program has conveyed the anti-discrimination message to employers and employees since the passage of IRCA, the General Accounting Office (GAO) report "Immigration Reform: Status of Implementing Employer Sanctions After the Second Year" completed in November 1988, concludes that although no pattern of discrimination is evident, some employers did not fully understand the anti-discrimination provisions of IRCA.

Specifically, GAO estimates that 22 percent of employers were not aware that IRCA had passed and that of those employers aware of the IRCA provisions, as many as 20 percent did not clearly understand the law's major provisions. These findings support the need for increased public education.

Program decreases of two workyears and $170,000 are requested in order to meet budget levels established by the Administration.

A decrease of -$134,000 is necessary to absorb the costs to implement P.L. 101-173. These reductions will be made in travel, transfers and other general expense items. This law amends 5 U.S.C. 5545 (c)(2) allowing that effective October 1, 1990, the payment of administratively uncontrollable overtime will be paid on a maximum rate of 25 percent of the rate of basic pay for a position instead of being based on the salary of GS 10 step 1.

Activity: Citizenship and Benefits	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount
Adjudications and Naturalization.........	...	...	...	...	...	...	...	...	...	...	...	...
Refugees and Overseas....	105	178	$11,817	105	178	$13,169	105	168	$12,043	...	-10	-$1,126
Total..................	105	178	$11,817	105	178	$13,169	105	168	$12,043	...	-10	-$1,126

Beginning in 1990, the adjudications and naturalization activities, previously funded under salaries and expenses, are to be funded through the Immigration Examination Fee account. Therefore, this budget activity contains only resources to adjudicate petitions and applications for benefits related to claims for refugee status and asylum under the Immigration and Nationality Act; and verify claims on applications and petitions by conducting immigration investigations. This activity contains resources for oveseas operations with the exception of pre-clearance inspections.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm Pos.	WY	Amount
Refugees and Overseas.....	105	178	$11,817	105	178	$13,169	105	168	$12,043	...	-10	-$1,126

Long-Range Goal: Approve qualified applicants for refugee status and for admission into the United States; adjudicate petitions and applications for benefits under the Immigration and Nationality Act (INA); and verify claims on applications and petitions by conducting immigration investigations. Coordinate and implement overseas enforcement initiatives directed against illegal immigration, fraud and related activities. Establish beneficial liaison with host governments, United States agencies and others to ensure mission related information sharing.

Major Objectives:

Coordinate with United States missions abroad and represent United States immigration policy interests and concerns to host governments, international organizations, and private voluntary agencies.

Receive and adjudicate applications for persons requesting entry into the United States as refugees in accordance with the INA and yearly consultations between the President and the Congress.

Serve in a pivotal role, in the Service's overseas deterrence and law enforcement initiatives.

Establish relationships conducive to the collection and dissemination of information of importance to the United States.

Maintain established pre-clearance sites in overseas locations throughout the world.

Conduct investigations to verify entitlement to benefits under the INA and to prevent fraud, alien smuggling, and other violations of immigration laws.

Adjudicate applications and petitions for benefits applied for under the INA from individuals seeking admission into the United States as immigrants.

Provide planning, coordination, review, and evaluation of the Service's asylum program. Promptly and consistently adjudicate asylum claims from aliens not in exclusion or deportation proceedings.

Base Program Description: This program adjudicates refugee applications, processes parolees, conducts investigations for preference and relative visa petitions, and conducts records checks and background investigations as required at overseas Service offices. Officers assigned to this program provide assistance to citizens and lawful permanent residents abroad regarding adoptions, immigration or parole of alien spouses and children, and other benefits under the INA. They review requests for the use of the Attorney General's authority to grant humanitarian parole into the United States for deserving individuals, and coordinate the Service's interdiction program with other participating Federal agencies. The latter program, with the assistance of the Coast Guard, provides for the interdiction and return to countries of origin of individuals attempting to reach our shores illegally. Another function of this program is to identify and deter potential illegal entrants at the source or in third countries through which they travel enroute to the United States. Deterrence is initiated by INS officers stationed in specific countries acting in concert with law enforcement authorities in those and surrounding or collaborating countries. The program also maintains established pre-clearance sites in locations throughout the world. Asylum officers adjudicate all asylum requests arising from aliens not in expulsion proceedings, including persons seeking admission at ports of entry and those in the United States whether in or without lawful status.

Accomplishments and Workload: Accomplishments of the Refugees and Overseas program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Refugees Applying for Entry				
Pending/Backlog (1)	42,417	85,349	115,349	143,349
Received	125,176	175,621	180,000	160,000
Completed	97,735	132,689	150,000	132,000
Adjudications Completed				
Pending/Backlog (1)	1,944	1,982	2,082	3,082
Received	27,062	24,043	28,000	28,000
Completed	27,143	23,985	27,000	27,000
Investigations (Individual cases)				
Pending/Backlog	2,553	2,803	3,053	3,303
Received	5,500	5,500	5,500	5,500
Completed	5,000	5,250	5,250	5,500
Smuggling Prevention Actions (2)	100	200	200	270
Diplomatic Liaison				
Completed	600	1,000	1,000	1,450
Public Service Completed	4,500	6,000	6,000	6,400
Asylum Adjudications (3)				
Pending/Backlog (1) and (4)	73,109	75,993	51,933	56,933
Received	60,736	101,679	50,000	45,000
Completed	13,357(5)	102,795(6)	70,000	40,000

(1) These are uncompleted cases at year-end.

(2) With the creation of the Office of Foreign Operations overseas deterrence of potential illegal entrants has become a continuing responsibility of this decision unit. These actions are distinct from investigations of individual cases.

(3) Under regulations effective October 1, 1988, responsibility for new asylum claims would shift to asylum officers operating under this decision unit.

(4) Excludes Mariel Cuban cases which are being adjudicated under the Cuban Adjustment Act.

(5) Excludes 54,000 cases withdrawn or closed for lack of prosecution; mostly Cuban adjustment cases.

(6) Includes 64,000 cases withdrawn or closed for lack of prosecution; mainly Central American cases on which initial processing and follow-up efforts were expended.

Major Accomplishments:

In 1989, major accomplishments were primarily in the area of operational effectiveness. In concert with the Anti-Smuggling staff, a major training exercise was provided to officers, staff, and other interested groups in the Bangkok District office. Successful case completions in breaking smuggling activities have been linked to the relationship of the Foreign Operations program and the Anti-Smuggling Program. The increasing number of Soviet refugee applicants being processed has required the three-fold augmentation of staff in Rome and the placement of staff in Moscow to conduct interviews.

Refugee and asylum adjudication training was significantly enhanced and over 300 INS staff members attended one of the 10 courses organized during calendar year 1989. A completely revised training syllabus was produced and distributed to all participants.

An enormous surge of Central American asylum applicants was successfully addressed through the creation of asylum task forces at the South Texas border and in Miami and Los Angeles.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Refugees and Overseas.........	105	178	$13,169	105	168	$12,043	...	-10	-$1,126

Program decreases of -10 workyears, and -$916,000 are requested to meet budget targets established by the administration and more closely align authorized positions with funded workyears.

A decrease of -$210,000 is necessary to absorb the costs to implement P.L. 101-173. These reductions will be made in travel and other general expense items. This law amends 5 U.S.C. 5545 (c)(2) allowing that effective October 1, 1990, the payment of administratively uncontrollable overtime will be paid on a maximum rate of 25 percent of the rate of basic pay for a position instead of being based on the salary of a GS 10 step 1.

Activity: Immigration Support

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training................	101	96	$10,956	101	108	$11,105	107	101	$10,893	6	-7	-212
Data and Communications Systems................	221	208	59,246	221	208	55,134	181	170	40,209	-40	-38	-14,925
Information & Records Management.............	1,067	1,192	51,589	1,067	1,192	54,160	1,012	1,006	52,201	-55	-186	-1,959
Intelligence.............	55	52	2,763	55	52	3,907	52	49	2,844	-3	-3	-225
Research and Development..	4	4	535	4	4	540	4	4	530	...	...	-10
Construction and Engineering............	16	15	6,972	16	15	7,110	13	12	24,101	-3	-3	16,991
Field Management and Support............	302	284	18,346	302	284	20,079	289	266	18,444	-13	-18	-1,635
Legal Proceedings	487	458	28,606	487	458	30,193	466	438	28,993	-21	-20	-1,200
Total.................	2,253	2,309	179,013	2,253	2,321	180,339	2,124	2,046	178,215	-129	-275	-3,175

This activity includes the resources for construction, communications, records management, automated data processing, training of personnel, research and development, field management, legal proceedings and the alien documentation program (ADIT). In addition, it provides a capacity to scientifically examine and analyze documents to assist in the identification, investigation and prosecution of major conspiracies which provide fraudulent documents to smuggled aliens.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training..................	101	96	$10,956	101	108	$11,105	107	101	$10,893	6	-7	-$212

Long Range Goal: Establish and maintain an employee development system that meets the needs of management and individual employees and complies with regulatory requirements.

ior Objectives:

ovide basic training for all new recruits and advanced technical training for journeyman officers, and develop updated rricula for the basic and journeyman training programs.

ain INS supervisors, managers, management officials and executives, and provide technical training programs to meet equirements that are satisfied by in-Service programs.

ase Program Description: The function of the Training program is to provide the staff and the resources necessary to aintain an employee development program that meets the diverse training needs of this agency's workforce. Training equirements are identified annually and are revised, as needed, due to new regulations, legislation, or organizational eeds. The program is accomplished in a variety of ways: through in-Service training using INS instructors, through rograms conducted by other Federal agencies, by private contractors, or in combined presentations using Service and non-ervice resources.

ccomplishments and Workload: Accomplishments of the Training program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Workload Production/Training				
Starts:				
Border Patrol Basic	883	1,117	288	836
Immigration Officer Basic	938	1,187	432	536
Detention Officer Basic	150	143	144	144
Completions:				
Border Patrol Basic	460	1,026	200	420
Immigration Officer Basic	525	775	520	400
Detention Officer Basic	130	131	100	120
Journeyman Officer Training	625	650	650	2,880
Basic Supervisory Development	260	260	260	260
Management Development	198	200	200	200
Executive Development	24	25	25	25
Extension Training	521	600	600	600
Contact Representatives and Docket Clerks	96	120	120	120
Regional/Central Office Training	2,580	2,550	2,550	2,550

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Training....................	101	108	$11,105	107	101	$10,893	6	-7	-$212

Program decreases of -7 workyears and -$97,000 are necessary for the Immigration and Naturalization Service to meet budget targets established by the Administration and more closely align authorized positions with funded workyears.

A decease of -$115,000 is necessary to absorb the costs to implement P.L. 101-173. These reductions will be made in travel, transfers and other general expense items. This law amends 5 U.S.C. 5545 (c)(2) allowing that effective October 1, 1990, the payment of administratively uncontrollable overtime will be paid on a maximum rate of 25 percent of the rate of basic pay for a position instead of being based on the salary of GS 10 step 1.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Data and Communications...	221	208	$59,246	221	208	$55,134	181	170	$40,209	-40	-38	-$14,925

Long-Range Goal: Establish and maintain automated and electronic technical support to increase the efficiency and effectiveness of INS' operational, administrative and managerial functions; provide a comprehensive and coherent framework for the acquisition and management of information systems resources pursuant to the Strategic Plan for Information Systems; provide the optimal level of automation support; provide communications to support all of INS' informational needs; produce and issue alien identification (ID) documents and provide an automated ID verification system; provide radio and electronics equipment and systems required by the INS to support its law enforcement functions; and promote the sharing of information with other Federal agencies to reduce the paperwork burden, to both the public and INS.

Major Objectives:

Ensure the cost effectiveness of new information systems through the use of contemporary techniques for quantifying and justifying automated data processing (ADP) based systems and data bases.

Improve the quality, reliability, interconnection, maintenance, and upgrade the accessibility of existing database systems.

Install and maintain INS' major mission and management oriented systems throughout the Service.

Improve the efficiency and effectiveness of voice and data communications throughout the Service.

Provide office automation support for word processing, local tracking, analysis, and electronic mail.

Provide automated intrusion detection capabilities at selected Border Patrol sectors consisting of a variety of sensor and imaging equipment with centralized monitoring at the sector for dispatch and reporting purposes.

Provide an effective maintenance program and equipment replacement and upgrade schedule to ensure effective continuity of operation of data, communications and electronics capabilities.

Base Program Description: The function of this program is to provide direct support to the Service's operational organizations as well as administrative support functions in the areas of ADP, radio, and electronics systems. This includes: (1) improving the effectiveness and efficiency of Service functions through the use of computer resources in information processing; (2) providing for the operation of data and communications networks; (3) maintaining the cost effective production and issuance of secure alien identification cards; and (4) providing radio communications, telephone call handling, intrusion detection (sensors), and electronic security equipment and systems.

Accomplishments and Workload: Workload is best expressed in narrative form since program efforts directly contribute to increasing the productivity and effectiveness of operating programs. Accomplishments include the following:

I. ADP SYSTEMS

1. Systems Planning -

The 1991 request represents the fourth year for the INS automation program as defined in the Automated Information Systems (AIS) Strategic Plan. Accomplishments include a contract that was implemented in 1989 to support software development and maintenance needs of INS, and several ADP hardware procurements, including three major purchases of ADP workstations in 1988 and 1989 that will provide ADP equipment to support processing needs throughout INS field offices. The Department of Justice computer centers continue to be the primary facilities for centralized ADP processing for the Service.

2. Systems Operation -

The following operational systems have recently been expanded and/or proliferated to support 200 INS sites: (1) the Central Index System houses records for over 30 million individuals and supports both state and Federal government access to the SAVE program; (2) the Non-Immigrant Information System currently maintains over 90 million records and supports the Visa Waiver program as well as other mission operations; (3) the casework systems, including the Deportable Alien Control and the Naturalization Casework Systems, were expanded to additional sites; (4) subsystems of the Service's Financial Management Information System; (5) the redesigned and renamed Operational Activities Special Information System (OASIS) includes the Automated Information System Criminal Alien Program, the Seized Vehicle Information System, and the Fraud System; and (6) the Fees and Applications Receipt and Entry System (FARES) is operational for adjudication case tracking and fee receipting at four Regional Service Centers and five district offices. In support of the Immigration Reform and Control Act (IRCA) of 1986, contract support has provided planning, integration, training, development, implementation and operation of systems to support mandated requirements. A fraud detection system under OASIS was refined and enhanced. Development of other enforcement systems to support Employer Sanctions was initiated.

A data entry plus A-Files and mail management contract was implemented in 1989 in support of Legalization Adjustment Processing System (LAPS), Phase II, and additional enhancements were made to support the Replenishment Agricultural Worker (RAW) provision of IRCA.

Contracts were competitively acquired in 1988 and 1989 for ADP equipment in support of adjudications and other responsibilities and include the acquisition of microcomputers and other associated equipment for INS field offices.

Port of Entry Automation system operation and maintenance is continuing at six port of entry prototype sites (Laredo, Nogales, Calexico, Honolulu, Agana and Shannon). An interagency border inspection system effort has been initiated involving Department of State, U.S. Customs Service and INS. At this time, a joint steering committee and working group has been established; automation strategies have been approved; an implementation schedule has been identified; funding responsibilities have been identified and approved; and six ports of entry have been automated. A direct link between the Interagency Border Inspection System and the National Crime Information Center was established in FY 1989. Telecommunications implementation has been started between U.S. Customs Service and INS. Interagency data exchange activities have been intitiated between INS, USCS and DOS. During FY 1990, nine ports of entry are expected to be automated.

II. ALIEN DOCUMENTATION (ADIT)

In 1989 the new Immigration Card Facility equipment contract was implemented to support a higher volume of card production and improved security features.

III. DATA COMMUNICATIONS

The Service's data communications network (INSINC) has been expanded to more than 250 of INS' field offices allowing for immediate access to INS systems on the Justice Data Center's mainframe computers. INSINC has been expanded to include access to at least two non-INS information sources--the National Law Enforcement and Telecommunications System (NLETS), which provides information from state law enforcement systems, and the FBI's National Crime Information Center (NCIC), which provides interstate criminal justice information on wanted, missing and unidentified persons; stolen vehicles and guns, and other properties and individual criminal histories. INSINC is targeted for priority transition to the GSA mandated FTS 2000 network.

IV. ELECTRONICS SUPPORT

1. Radio Systems -

INS has commenced a major initiative to bring all radio systems and equipment into compliance with standards established by the Office of National Drug Control Policy. This initiative started with Department of Defense (DOD) funding.

2. Surveillance Systems -

Low-light-level television (LLLTV) Systems are being expanded to additional Border Patrol sectors. Individual agent, night vision scopes for field use, as well as infrared scopes and Forward Looking Infrared (FLIR) equipment for aircraft, are part of the intrusion detection initiative. Closed-circuit television systems at service processing centers are also supported by this program.

The Computer Assisted Detection and Reports Enhancement (CADRE) system, providing sensor and dispatch functions, has been installed for use at eight Border Patrol sectors. A major upgrade in software and hardware is underway.

3. Systematic Alien Verification for Entitlement (SAVE) Program -

The SAVE Program, standardized since October, 1985, is now available to all states for alien benefit verification. During 1989, the Automated Fingerprint Identification System (AFIS) project successfully demonstrated the capability to positively identify criminal aliens and repeat offenders of immigration law. This was accomplished by implementing a prototype advanced technology, computer-based fingerprint identification-storage-retrieval system in the San Diego Border Patrol Sector.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Data and Communications........	221	208	$55,134	181	170	$40,209	-40	-38	-$14,925

Program changes of -40 positions, -38 workyears, and -$14,925,000 are requested for this program. An explanation of each change is listed below:

Funding of $75,000 is requested for the expansion of the National Crime Information Center/National Law Enforcement Telecommunications System (NCIC/NLETS). Expansion of NCIC/NLETS to additional field offices will enhance INS efforts to respond to increasing criminal alien activities.

An enhancement of $92,000 is requested to support the Telephone Verification project (IRCA phone) mandated by the Immigration Reform and Control Act of 1986. This system will allow employees to determine the employment eligibility of a job applicant when an employer is unsure of the validity of the applicant's work authorization documents. Telephone verification will encourage employer compliance with the Anti-Discrimination and Work Authorization provisions of IRCA by making employment eligibility easier to determine.

OMB Circular A-127 calls for each agency to consolidate and integrate their multiple accounting systems into a single Departmental system. An increase of $400,000 is requested to begin conversion of the current batch-mode Financial Accounting and Control System (FACS) to the Financial Management Information System (FMIS) used by the Department. A special audit by the Department identified FACS as a weakness. FMIS is a modular system by design and implementation of the software can be accomplished to suit INS. Development of an "evolutionary strategy" will be done in 1990 to plan for gradual conversion to FMIS in accordance with Government-wide and Departmental policy.

A program change of -40 positions, -38 workyears and -$2,359,000 is requested in order to meet budget levels targeted by the Administration and more closely align authorized positions with funded workyears. Additionally, $13,133,000 is shifted from the Data and Communications base program to the Examinations Fee Account. The Administration's position is that since the Adjudications and Naturalization program is no longer appropriated, all related support services should be funded from the Examinations Fee Account.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Information and Records Management...........	1,067	1,192	$51,589	1,067	1,192	$54,160	1,012	1,006	$52,201	-55	-186	-$1,959

Long-Range Goals: Provide information in a timely and professional manner to the public and government agencies on immigration procedures, policies, plans, activities, status, benefits and eligibility, including the Immigration Reform and Control Act's (IRCA) provisions and initiatives. Administer Servicewide Information Services and Records programs designed to provide support to INS' operating components and other United States law enforcement agencies, as well as, State and local governments seeking the status of aliens under the provisions of the Immigration and Nationality Act. Ensure the reliability of automated and manual data generated by INS information systems (contractor and in-house); ensure efficient records management in the life cycle of records; and apply principles of information engineering and modeling that contribute to cost-saving and efficiency efforts in the area of data integrity. Improve mail and correspondence management practices by increasing efficiency and reducing and/or holding mail costs to a minimum, and continue to initiate and implement standards for uniform correspondence throughout INS.

Major Objectives:

Ensure Servicewide compliance with the Freedom of Information and Privacy Acts (FOIA/PA).

Provide analytical and technical expertise on statistical matters, and statistics upon which to base policy decisions.

Respond to 85 percent of all telephone inquiries from the public within three minutes, all in-person inquiries received from the public within 15 minutes, and all written inquiries received from the public within 20 days.

Maintain a reliable and accessible Nationwide Reform Act "800" telephone information service.

Develop and install advanced automated telephone systems to improve the public's access to immigration information.

Respond to information and status requests from the public, INS operating components, state and local governments, law enforcement agencies, and other Federal government agencies.

Provide analytical and technical expertise on manual and electronic record collection, capture, storage, processing and retrieval.

Improve the control, accountability and availability of INS records through increased training, technical and operational assistance in the maintenance and use of manual and automated records systems.

Contribute to the development of the most efficient/cost effective use of manual and automated records systems and resources and ensure that INS responsibilities related to automated records systems contribute to the quality and integrity of the system databases.

Ensure the accurate and timely issuance of Service regulations, directives, operating instructions and forms.

Improve INS workload data and productivity measurement and ensure timeliness, quality and completeness of all INS statistical data.

Develop, analyze, and publish timely, high-quality immigrant and non-immigrant statistics in annual statistical yearbooks, special bulletins, and reports for policy making at agency and Congressional levels.

Establish and maintain liaison with Federal and State agencies, and National and international organizations involved in the collection and/or analysis of immigration related statistics.

Base Program Description: The functions of this program are to (1) provide responses to inquiries from the public and private sectors; local, state and Federal agencies; and the various branches of government, by telephone, in-person, and in writing, (2) maintain alien records and files from which data may be readily obtained to respond to requests from both in and outside the Service; (3) develop guidelines, policies and procedures and responses to FOIA/PA requests; (4) Compile, analyze and evaluate statistics for use in preparing regular and special reports about Service operations and work accomplishments; (5) provide for the coordination, development, preparation and review of the Service's regulations, directives, operating instructions and forms, to ensure that these materials are issued and published in accordance with established Federal regulations and laws; and (6) monitor and ensure internal compliance to standards for systems and Service delivery.

Accomplishments and Workload: Accomplishments of the Information and Records Management Program are presented in the following table:

Item	1988	1989	Estimate 1990	Estimate 1991
Information Services:				
On-Hand/Receipts - Correspondence	428,721	461,983	550,000	550,000
Completions - Correspondence	409,253	465,478	500,000	500,000
Inquiries:				
Ask Immigration (AI) Telephone System	4,575,277	5,233,593	6,000,000	6,500,000
Immigration Telephone System (Other)	1,144,163	983,643	800,000	700,000
Reform Act "800" Telephone System	1,467,246	1,206,276	500,000	250,000
In person	5,138,967	4,017,225	4,000,000	3,800,000
Record Completions:				
Files created	833,048	969,547	1,000,000	950,000
Records verification	629,161	746,987	800,000	750,000
Files transferred and requested from Others/FRC's	1,711,796	2,313,372	2,500,000	1,800,000
Files Connection	3,411,042	3,993,318	4,500,000	3,800,000
Refiles	4,227,850	4,684,651	4,800,000	4,500,000
Mail Processing	9,694,719	11,816,049	12,500,000	12,000,000
FOIA/PA:				
On Hand/Receipts - FOIA/PA	34,652	32,265	33,000	33,000
Completions - FOIA/PA	31,554	30,493	30,000	30,000

As of December 1989, fully automated Ask Immigration (AI) systems were operating at 55 field offices, an increase of 20 over 1988. A completely automated IRCA "dial 800" information system has provided information on all major provisions of IRCA to over 3.1 million callers from the 50 states, Puerto Rico and the Virgin Islands through December 1989. Twenty-nine sites have Immigration Direct Information Access Lines (IDIAL) for the walk-in public to select AI information, an increase of 15 over 1988.

The Alien Files Accountability and Control Systems (AFACS) was installed in nine additional field offices for a total of 25 sites, thus expanding the control of approximately 10.2 million or 80 percent of all active alien files. Further, AFACS operations were expanded from the standard mini-computer to a personal computer version which added alien file tracking capabilities to other Service files and forms, and interfaces were developed to other Service automation systems.

An electronic records workstation prototype was developed. The station includes an optical disk, optical scanner, barcode technology and electronic transmission capabilities, for testing records automation systems.

In 1989, the Service purchased and installed 25 sets of postage metering equipment and provided the guidance for its proper use. The Service now has purchased and installed 62 of 88 sets needed to complete the metered mail equipment procurement in accordance with the requirements of the U.S. Postal Service.
It is estimated that over 27,000 statistical reports were completed and that almost 3,000 inquiries were answered.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Information and Records Management................	1,067	1,192	$54,160	1,012	1,006	$52,201	-55	-186	-$1,959

Program change of 55 positions, -76 workyears, and -$1,316,000 is requested in order to meet budget targets established by the Administration and more closely align authorized positions with funded workyears.

As part of the Administration's continuing commitment to implement management and productivity improvements, a savings of -110 permanent positions, -110 workyears and -$643,000 will be achieved by contracting out mail and file type activities to private industry. The same level of service will be maintained. The reduction is based on a recent Departmental review of personnel performing commercial functions.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Intelligence.............	55	52	$2,763	55	52	$3,069	52	49	$2,844	-3	-3	-$225

Long Range Goal: Develop an international immigration intelligence capability for the collection, analysis and dissemination of information regarding global migration patterns and trends, and provide meaningful intelligence support on a regular basis to INS' operational components for enhanced effectiveness and efficiency.

Major Objectives:

Provide intelligence assistance and support required for maximum operational effectiveness of INS field components.

Provide strategic intelligence assessments to INS management for consideration in short-term and long-term operational planning.

Maintain liaison with appropriate United States and foreign government agencies on immigration and national security matters including the movement of known or suspected international terrorists.

Furnish assistance in the detection of fraudulent identity documents to international law enforcement agencies and international air carriers.

Provide technical support and assistance in the prosecution of major document counterfeiters, alien smugglers and other violators of the Immigration and Nationality Act and new provisions of the Immigration Reform and Control Act (IRCA).

Act as coordinator for the Operational Activities Special Information System (OASIS), a Servicewide intelligence computer system.

Base Program Description:

This program provides strategic and tactical intelligence support to Service offices enforcing the provisions of the Immigration and Nationality Act, and assists other Federal agencies in addressing national security issues. The Service's document laboratory is a critical component of the program. Intelligence support contributes to efforts aimed at preventing the entry of illegal aliens, terrorists and narcotics traffickers, and detecting fraudulent documents, alien smuggling, false claims to citizenship and other frauds.

Accomplishments and Workload: Accomplishments of the Intelligence program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Cases received for examination of fraudulent documents	935	1,901	2,100	2,300
Cases completed for examination of fraudulent documents	800	1,901	2,100	2,300
INS Intelligence Inputs Processed at EPIC	18,418	16,347	16,500	16,500
Queries of INS Databases at EPIC	24,655	19,020 1/	19,000	19,000
Positive INS Responses Provided to Queries	3,893	3,367	3,000	3,000

1/ Decrease reflects the fact that an increasing number of offices have the equipment to query INS databases directly and need not go through EPIC.

Program Changes:

	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Intelligence	55	52	$3,069	52	49	$2,844	-3	-3	-$225

Program changes of three positions, three workyears, and -$110,000 are requested in order to meet budget targets established by the Administration and more closely align authorized positions with funded workyears.

A decrease of -$115,000 is necessary to absorb the costs to implement P.L. 101-173. These reductions will be made in travel, transfers and other general expense items. This law amends 5 U.S.C. 5545 (c)(2) allowing that effective October 1, 1990, the payment of administratively uncontrollable overtime will be paid on a maximum rate of 25 percent of the rate of basic pay for a position instead of being based on the salary of a GS 10 step 1.

	1990 Appropriation Enacted Perm. Pos.	1990 Appropriation Enacted WY	1990 Appropriation Enacted Amount	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Research and Development	4	4	$535	4	4	$540	4	4	$530	...	...	-$10

Long-Range Goal: Improve INS' capability to detect and apprehend illegal entrants. Provide technological guidance in support of all INS operations.

Major Objectives:

Research, develop, apply, and evaluate surveillance technologies and systems to more effectively detect illegal alien and related drug intrusions over thousands of miles of border with emphasis on automation, reliability, and low cost.

Develop methods based on statistical techniques to support Service operating programs in detecting illegal alien and drug related smuggling, setting bond levels, reducing costs of detention and deportation, and detecting marriage fraud.

Provide liaison with the Federal, industrial, and university research and development communities to stimulate, maintain, and integrate technical work relevant to high priority interests of INS.

Base Program Description: The function of the Research and Development program is to examine problems of the Service and to develop new or adopt existing technologies for their solution. The objectives of this program are pursued through in-house, contract, interagency agreement and information interchange activities. These activities cover signal processing radar, infrared imaging, low light level television, stationary and mobile platforms, communications, microprocessing, data processing, automatic controls, digital and analog techniques, pattern recognition, simulation, test and evaluation, and systems analysis.

Accomplishments and Workload: The Research and Development program seeks to maintain a technological base in areas crucial to the successful execution of INS operations. Workload is best expressed in narrative form which directly contributes to increasing the productivity and effectiveness of operating programs. Accomplishments include the following:

Initial investigations were made into automatic fingerprint analysis, a complex and relatively new technology. It may be applicable to many of INS' problems with respect to positively identifying illegal and criminal aliens. Research and Development is now in the process of gathering valid data to evaluate the use of this technology.

The pre-production phase of a two part analysis has been completed regarding the Improved Image-Enhancement Vehicle which is being developed in conjunction with the Department of the Army and will allow both the military and INS to use a low cost, automated, mobile surveillance system.

Research and Development personnel are completing the second, and final phase of a feasibility analysis to develop a novel approach to high-quality, low-cost uncooled infrared imaging based on semiconductor fabrication technology combined with new miniaturization fabrication techniques.

Reseach and Development personnel applying discriminate analysis, artificial intelligence, and linear programming techniques as they relate to law enforcement and adjudications programs in profile analysis for vehicle traffic at the border, bond settings, and marriage fraud.

The second phase of a three phase detention and deportation optimization study is being completed. The study will determine the most cost effective manner in which to transport detainees.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Research and Development................	4	4	$540	4	4	$530	...	...	-$10

A program change of -$10,000 is requested in order to meet budget targets established by the Administration and more closely align authorized positons with funded workyears.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Construction and Engineering............	16	15	$6,972	16	15	$7,110	13	12	$24,101	-3	-3	$16,991

Long Range Goal: Provide adequate facilities for all INS operating units so that they can fulfill their requirements to administer the Immigration and Nationality Act.

Major Objectives:

Construct, alter and maintain effective, safe, energy conserving, and attractive facilities.

Construct border patrol stations at Brownfield, CA and Ysleta, TX.

Construct traffic checkpoints at Marfa, TX and Alpine, TX.

Construct a 300 bed lock-down dormitory at Krome, FL Service Processing Center.

Construct a traffic checkpoint at San Clemente, CA.

Base Program Description: The function of this program is to provide for the acquisition, design, construction, alteration, repair, maintenance, and management of all buildings, structures, and facilities for which the Service is the owning or leasing agency. Space is acquired through the General Services Administration (GSA), by lease, by INS construction and through assignment by airport authorities. New inspection facilities are coordinated as necessary with U.S. Customs Service, Public Health Service, Department of Agriculture, GSA, state, county, local airport and foreign authorities. Office space requirements are coordinated with GSA.

Accomplishments and Workload: Accomplishments of the Construction and Engineering program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Major New Construction Projects.............	26	18	25	25
Verify GSA billings.........................	493	453	460	460
Building Evaluations........................	15	18	18	18
Design Support Projects.....................	20	15	25	30
Airport Projects............................	30	25	25	25
SF-81/144 (Request for Space) sent to GSA (Servicewide) 1/...........................	60	60	72	72

1/ These workload statistics reflect the number of actions processed and are not necessarily driven by available resources. The documents included in this item are initiated for increases in space, decreases in space, relocation of offices, revisions to existing space, consolidation of operations, and GSA-mandated moves.

While the limited resources in 1991 will affect the location and amount of space acquired, it will not reduce the number of SF-81's processed.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Construction and Engineering...............	16	15	$7,110	13	12	$24,101	-3	-3	$16,991

Resources totalling $17,188,000 are requested in support of the Detention and Deportation program and the Border Patrol program. Of this request, $4,500,000 will be required to expand detention capacity. The construction and upgrade of three traffic checkpoints and construction of two Border Patrol stations will require an increase of $12,688,000.

An increase of $4,500,000 is requested for the expansion of the Federal Detention Facility at the Krome Service Processing Center in Southern Florida. These funds will allow construction of a 300-bed lock-down men's dormitory. The construction of lock-down dormitories and segregating cells at the Krome detention facility will allow us to separate aliens detained for criminal violations or drug apprehensions from the non-criminal detainees, providing greater security and safety for detainees as well as for Service employees and the general public.

To support the expansion of basic enforcement efforts, an increase of $2,688,000 is required for the construction and upgrade of two Traffic Checkpoints and two Border Patrol stations. Of this increase, $194,000 is required to move the Alpine, Texas Checkpoint on Highway 118. The existing traffic checkpoint must be moved from its present location near Marathon, Texas to a point approximately five miles south of Alpine, Texas to more effectively interdict drug and alien smuggling traffic exiting the Big Bend National Park area. Also included in this request is $194,000 to construct the Marathon, Texas Checkpoint on Highway 67. The Marathon Checkpoint, on Highway 67 is a new traffic checkpoint which will be located approximately four miles south of Marfa, Texas in order to effectively interdict alien smuggling traffic and drugs exiting the Big Bend National Park area. Adequate facilities are required at these checkpoints in order that the agents may conduct a proper and safe inspection of all vehicular traffic. Checkpoint facilities are used in the same manner as a Border Patrol station, only on a much smaller scale. The agents at these facilities conduct license and warrant checks, monitor sensors used to detect walkarounds of the checkpoint, and hold suspected immigration violators and other criminals. Agents must remain at these checkpoints for their entire shift. Adequate shelter is needed by the officers for protection from extreme heat and humidity. Canines are often used at the checkpoints to detect drugs and persons being smuggled within vehicles. The animals must also be protected from the harsh climate in these areas.

Traffic check operations are conducted by the Patrol along roads and highways leading away from the border for the inspection of persons and vehicles which may have surreptitiously entered into the United States. Checkpoints are strategically placed in areas that are known to have high volumes of alien and drug smuggling activities due to their relatively easy access away from the border and into the interior of the country. Checkpoints funnel illegal alien movements and smuggling loads to locations where the Patrol can readily detect and apprehend the alien or drug smuggler and seize any contraband. The traffic checkpoint is the first line of defense in many border areas where it is operationally more advantageous to allow the surrounding terrain to force the flow of traffic to a location away from the immediate border to a point where the Patrol, with fewer agents can detect and arrest illegal border crossers.

This increase includes $2,300,000 required for construction of two critically needed Border Patrol Stations on the southern border, Brownfield, California and Ysleta, Texas. The Brownfield station is losing its lease and will be required to move by 1991. The Brownfield station is the hub of the most active Sector on the Southern border. Ease of illegal access to a rapidly growing industrial area immediately adjacent to the border forebodes increased levels of illegal entry and drug smuggling at this critical station. Futhermore, operations must be geographically located near the Brownfield airport for access and effectiveness in covering present and predicted high volumes of illegal aliens on foot and high risk vehicle crossings in that area.

The Ysleta Border Patrol station will also be losing its lease and will be forced to vacate in 1991. This station with 65 agents is the hub of the second most active Border Patrol sector and is critical as an effective anti-smuggling and drug interdiction station.

An increase of $10,000,000 is requested for the first phase of the construction of a new traffic checkpoint and border patrol station on Highway 5 in San Clemente, California several miles South of the current checkpoint. The INS-owned buildings at the current location were originally occupied in 1971 by 30 officers and staff. Currently, the staff numbers 133. The present checkpoint frequently must be closed during heavy traffic periods because the traffic backups create safety problems. There are five highway lanes which are narrowed to three at the inspection point. The new facility will provide 16 inspection points, allowing an even flow of traffic regardless of volume.

The funds included in this request will be used for architectural/engineering work, an Environmental Impact Statement, project study reports, and transmittal fees required by the Department of Transportation. The $10,000,000 requested will cover resources needed for the first phase of this construction project to be completed in 1992 with an additional $23,920,000.

This request also reflects the transfer of base resources totalling $2,400,000 from the Detention and Deportation program to the Construction and Engineering program for critical renovation and maintenance of detention facilities.

Program decreases of -3 positions, -3 workyears and -$197,000 are necessary for the Immigration and Naturalization Service to meet budget targets established by the Administration.

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Field Management and Support............	302	284	$18,346	302	284	$20,079	289	266	$18,444	-13	-18	-$1,635

Long Range Goal: Provide management direction to field units that implement major policy and management decisions for more than one program.

Major Objectives:
Ensure effective law enforcement and uniform implementation of INS policy, procedures and operational goals; provide efficient service to the public; and devise techniques and procedures for responding to regional and local conditions and circumstances.

Base Program Description: The function of this program is to provide management direction and support for the implementation and operation of regional and field activities and functions. This program includes managers and supervisors who are charged with responsibility for, and exercise authority over, multiple programs.

Accomplishments: The Field Management and Support program provides management direction to field units on implementing INS policy and initiatives. This Program provides the necessary management direction and administrative support at the field level for the Service's committment to strengthen its enforcement efforts as well as improve service to the public.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Field Management and Support...............	302	284	$20,079	289	266	$18,444	-13	-18	-$1,635

Program decreases of -13 positions, -18 workyears and -$1,120,000 are necessary for the Immigration and Naturalization Service to meet budget targets established by the Administration and more closely align authorized positions with funded workyears.

A decrease of -$ 515,000 to absorb the costs to implement P.L. 101-173. These reductions will be made in travel, transfers and other general expense items. This law amends 5 U.S.C. 5545 (c)(2) allowing that effective October 1, 1990, the payment of administratively uncontrollable overtime will be paid on a maximum rate of 25 percent of the rate of basic pay for a position instead of being based on the salary of GS 10 step 1.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Legal Proceedings......	487	458	$28,606	487	458	$30,193	466	438	$28,993	-21	-20	-$1,200

Long Range Goal: To provide legal representation for the United States Government in all cases and matters arising before Immigration Judges and the Board of Immigration Appeals; represent INS in all other contested administrative hearings in which the agency is involved; provide legal advice and support to INS operating personnel; represent INS in all cases being tried in the Federal courts; and consult, train and provide legal support for interagency efforts in combatting the threat to the Nation posed by illegal alien criminals.

Major Objectives:

Provide training for attorneys and enforcement personnel in employer sanctions.
Represent the Service before administrative bodies and Federal courts in employer sanctions matters.

Provide litigation and consultation support to interagency task force operations to effect the expeditious deportation of criminal aliens and thereby reduce costs of incarceration.

Provide litigation assistance in Federal and local drug and organized crime task forces.

Provide litigation support in developing removal strategies for criminal aliens to effect their expeditious exclusion and/or deportation.

Furnish legal counsel and training in immigration law for enforcement officers of state, local, and other Federal agencies for identification and expeditious processing of alien drug traffickers and criminals.

Base Program Description: INS attorneys represent the Service before Immigration Judges, the Board of Immigration Appeals, the Merit Systems Protection Board, the Equal Employment Opportunity Commission, and Boards of Contract Appeals. The program provides litigation support in agency litigation being conducted in United States District Courts, Courts of Appeals, and the Supreme Court. Attorneys advise the Central Office, regional commissioners, district directors, and border patrol sector chiefs regarding legal matters arising at all levels of agency operations. The attorneys also assist interagency task forces in developing cases and removal strategies for criminal aliens.

Accomplishments and Workload: Accomplishments of the Legal Proceedings program are presented in the following table:

Item	1988	1989	Estimate	
			1990	1991
Non Sanctions Workload:				
Trial Attorney Appearances	196,789	236,516	237,000	237,000
Cases Prepared	197,474	241,517	242,000	242,000
Preparation of Legal Briefs	15,199	17,392	17,400	17,400
Legal Consultation	142,202	153,458	153,500	153,500
Legal Memos 1/	...	9,572	9,600	9,600
Collection of overdue debts ($000's)	$16,100	$10,000	$6,100	$6,000
Sanctions Workload: 2/				
Notices of Intent to Fine:				
- Received	...	4,905	9,800	19,600
- Completed	...	4,652	9,300	18,600
Consultations and Legal Advice Completed	...	32,858	35,000	40,000
Legal Opinions and Memoranda	...	5,446	6,000	7,000
Training Completed	...	1,333	1,500	1,700
Administrative Law Judge Cases:				
- Received	...	1,088	1,300	1,500
- Completed	...	776	900	1,100
Administrative Law Judge Case Appearances Completed	...	485	600	800
Other Administrative Law Judge Materials Completed	...	7,608	9,000	11,000

1/ Legal Memos completed is a significant workload measure that was not reported in previous years.

2/ No sanctions workload statistics were recorded until 1989.

Other accomplishments include:

Sanctions

Establishment of a Mock Hearing Program which has ensured the quality of the cases being litigated. As a result the INS has received favorable decisions in all cases tried before an administrative law judge to date. These decisions are crucial to the development of employer sanctions law.

Creation of Employer Sanctions Litigation and Computerized Forms Manuals. For the first time in the history of the INS there is a litigation manual that provides field attorneys with a ready reference tool on how to prepare for and conduct a sanctions hearing. This has proven to be an effective time-saver in that it reduces the amount of research time spent by an attorney in preparation for a case. The Computerized Forms Manual provides forms for pleading, discovery requests, and motions. The forms are available through the computer system (AMICUS) to which all INS attorneys have access. This innovation has reduced the number of hours that are required to produce the documents necessary to litigate a sanctions case, raising the productivity of the INS attorneys.

Creation of an Employer Sanctions Legal Advisory Committee. This vehicle has been most successful in resolving complex legal issues as well as providing field offices with input on major employer sanctions legal matters. The Committee meets six times a year.

Creation of a Comprehensive Employer Sanctions Attorney Training Course. Over 120 Service attorneys have been trained in this program. As a result of this training INS Sanctions' attorneys are better able to prepare employer sanctions cases. This level of preparation has enabled the Service to settle rather than litigate approximately 80 percent of all sanctions cases. This course has received approval from most state bar associations having a continuing legal education requirement.

Publication of the Employer Sanctions Newsletter. This publication, now in its second year, provides a communications link between the General Counsel's Office and all Service personnel in the field. It publishes summaries of recent sanctions decisions, regulations, and sanctions developments around the country. It also lists a calendar of scheduled sanctions trials.

Criminal Aliens

Last year, the General Counsel established a Criminal Enforcement Division to work with the internal INS investigative units and to advise and train INS Special Assistant U.S. Attorneys. The division staff has begun revision of the Service's search and seizure manual, and is preparing a manual for all U.S. Attorneys dealing with the trial of immigration related offenses. The Division maintains close relations with the various sections of the Department of Justice's Criminal Division. Further, the staff reviews all undercover operations and provides planning and policy guidance regarding criminal enforcement priori-ties. During the past year, the number of INS attorneys assigned to various U.S. Attorney offices to prosecute aliens involved in criminal activity has increased from five to 14.

INS criminal attorneys also worked with the Executive Office of Immigration Review and representatives of the State penal systems to set up a program to identify criminal aliens incarcerated in state institutions and bring them to a deportation hearing prior to their release.

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm Pos.	WY	Amount	Perm Pos.	WY	Amount	Pos.	WY	Amount
Legal Proceedings......	487	458	$30,193	466	438	$28,993	-21	-20	-$1,200

Program changes of -21 positions, -20 workyears, and -$1,200,000 are requested in order to meet budget targets established by the Administration and more closely align authorized positions with funded workyears.

Activity: Program Direction	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control..............	99	93	$6,954	99	93	$7,141	62	86	$6,858	-7	-7	-$283
Administrative Services....	455	428	33,496	455	428	34,974	412	387	45,273	-43	-41	10,299
Total....................	554	521	40,450	554	521	42,115	504	473	52,131	-50	-48	10,016

This activity provides for the overall administration and management of the Service.

Activity: Program Direction	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control...........	99	93	$6,954	99	93	$7,141	92	86	$6,858	-7	-7	-$283

Long Range Goal: Increase the effectiveness of the Service through the use of Mission Plan goals and strategies; formulate and coordinate meaningful and consistent policy; provide program direction throughout all levels of the Service; and evaluate policy with a view toward recommending practical changes.

Major Objectives:

Provide for continuity, coordination and control of the overall management and administration of INS.

Direct Servicewide policy and implementation responsibilities.

Implement Immigration Reform.

Improve agency responsiveness through continued enhancement of management systems including:

- maintaining and refining delegations of authority and requirements for accountability for national policy direction, regional implementation, and district and sector execution, including appropriate control of resources;

- continuing to emphasize and institutionalize INS' Management by Objectives (MBO) system with further integration between mission and priority planning and systems of resource allocation and control; and continuing rapid development of information systems to meet the needs of management and immigration policy formulation.
- Increase leadership in the formulation of national immigration policy.

Base Program Description: The function of this program is to effectively execute the provisions of the Immigration and Nationality Act and related policies through the development and implementation of immigration programs and the management of resources. Included in this program are duties related to: (1) providing executive direction and control of the service; (2) providing management to the service in the areas of legal counseling, legal opinions, contracting, Equal Employment Opportunity and litigation; (3) furnishing accurate and prompt responses to Congressional and public inquiries; (4) administering and maintaining an effective budgeting system, and (5) developing and evaluating policies and systems to improve the effectiveness of Service programs.

Accomplishments and Workload: Accomplishments of the Executive Direction and Control program are presented in the following table:

Item	1988	1989	Estimates 1990	 1991
Congressional Affairs:				
Telephone replies	26,068	24,108	24,000	24,000
Written replies	5,687	5,389	6,000	6,000

Major areas of emphasis have been improved. More effective management of the agency and enhanced operational effectiveness have been achieved through the concentration of effort on high-priority activities and immigration policy leadership.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive Direction and Control...............	99	93	$7,141	92	86	$6,858	-7	-7	-$283

Program decreases of -7 positions, -7 workyears and -$283,000 are necessary for the Immigration and Naturalization Service to meet budget targets established by the Administration.

	1990 Appropriation Enacted			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Administrative Services...	455	428	$33,496	455	428	$34,974	412	387	$45,273	-43	-41	$10,299

Long Range Goal: Provide the full-range of administrative support services to all programs on a timely basis in compliance with laws, policies, and external and internal requirements.

Major Objectives:

Provide personnel and equal opportunity support services and program direction.

Provide accounting support services and program direction.

Provide property management, procurement support and program direction.

Provide overall management direction and control for all management programs and the full-range of security, safety and health support activities.

Base Program Description: The function of this program is to provide for the development, implementation, direction, evaluation and operation of administrative support systems and services that meet internal operational and managerial needs and externally mandated requirements. The major functions within this program include: personnel; accounting; equal employment opportunity; procurement; property management; fleet mangement; security and health; and other miscellaneous general services which benefit all programs within INS.

Accomplishments and Workload: Accomplishments of Administrative Services program are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Personnel Actions	72,245	92,365	114,000 1/	143,000 1/
Bills	67,171	27,034	28,000	28,700
Vouchers	199,641	254,929	256,000	257,000
Collection of Fines, Fees, etc. ($000's)	479,400	371,878 2/	372,000 3/	380,000 3/
EEO Eval. & Asst. Mgmt. Officials	420	458	545	583

1/ Increases in personnel actions are due to normal changes in the personnel and pay status of employees and the hiring of temporary and intermittent employees.

2/ Decrease due to termination of temporary resident phase of the Legalization program.

3/ Decreases in the collection of fines and fees are due a the lower percentage of application fees being collected and the additional amount of time being spent on the processing of fines against airlines.

Program Changes:

	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Administrative Services	455	428	$34,974	412	387	$45,273	-43	-41	$10,299

In 1991, funding is requested to replace those vehicles that exceed the Federal Property Management Regulation's replacement criteria in the Border Patrol and the Detention and Deportation programs. Many of these vehicles are in the 100,000 to 200,000 mile range and are uneconomical to maintain. The replacement vehicles will contribute to efficiency in operations that require the use of motor vehicles for patrolling the immediate border, traffic checks on highways, and transporting detained aliens.

The $8,437,000 requested for replacement vehicles will allow the Border Patrol program to purchase 355 vehicles at a cost of $5,878,000 and the Detention and Deportation program to purchase 57 vehicles at a cost of $2,559,000.

Program decreases of -43 positions, -41 workyears and -$1,360,000 are necessary for the Immigration and Naturalization Service to meet budget targets established by the Administration.

Immigration and Naturalization Service

Salaries and Expenses

Financial Analysis - Program Changes

(Dollars in thousands)

Item	Basic Enforcement										Fed Detention		Anti-Discrimination			
	Inspections		Border Patrol		Data & Comm		Const & Eng		Admin Srvc		Const & Eng		Emp & Labor		Data & Comm	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades																
GS/GM-14		...		...		...		...		...		...		...		...
GS/GM-13		...		...		...		...		...		...		...		...
GS-12		...		...		...		...		...		...		...		...
GS-9	104	$2,569	200	$4,941		...		...		...		...		...		...
GS-5		...		...		...		...		...		...		...		...
GS-4		...		...		...		...		...		...		...		...
Total positions and annual rate	104	2,569	200	4,941	...	...	...	...	...	...	...	...	...	...	...	...
Lapse (-)	...	...	-125	-3,735	...	...	...	...	...	...	...	...	...	...	...	...
Other than Permanent	-104	-2,859	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Other personnel compensation	41	1,014	32	522	...	...	...	...	...	...	...	...	...	...	...	...
Holiday	8	351	27	540	...	...	...	...	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	49	1,075	134	2,268	...	...	...	...	...	...	...	...	...	...	...	...
Personnel benefits		231		630		...		...		...		...		...		...
Travel and transportation of persons		...		901		...		...		...		...		...		...
Transportations of Things		...		...		...		...		...		...		...		...
GSA rent		...		41		...		...		...		...		...		...
Communications, Utilities, and Misc Charges		...		87		...		...		...		...		...		...
Printing and Reproduction		...		...		...		...		...		...		$200		...
Other Services		...		270		$75		...		...		...		604		$92
Supplies and materials		...		102		...		...		...		...		...		...
Equipment		...		12,020		...		...		$8,437		...		...		...
Land and Structures		...		...		...		$12,600		...		$4,500		...		...
Total program workyears and obligations changes requested, 1991	49	1,306	134	16,327	...	75	...	12,600	...	8,437	...	4,500	...	804	...	92

Item	Audit Related		Program Adjustments To Meet Administrations Budget Levels													
	Data & Comm		Inspections		Border Patrol		Investigations		Anti-Smuggling		Detent & Deport		Emp & Labor		Refugee & Over	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades																

GS/GM-14		...		...		...		...		...		...		...		...
GS/GM-13		...		...		...		...		...		...		...		...
GS-12		...		...		...	15	$530	-12	-$430		...		...		...
GS-9		...		...		...		...		...		...		...		...
GS-5		...		...		...	8	130	-2	-33		...		...		...
GS-4		...		...		...		...		...		...		...		...
Total positions and annual rate	...	...	...	...	...	...	23	668	-14	-463	...	...	...	...	...	...
Lapse (-)	...	...	-50	...	...	...	-56	-800	1	463	-96	...	-2	...	-10	-$268
Other than Permanent	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	-15
Other personnel compensation	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	-18
Holiday	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	...	...	-50	...	...	...	-33	-132	-13	...	-96	...	-2	...	-10	-301
Personnel benefits		...		...		...		...		...		...		...		-565
Travel and transportation of persons		...		-$254		$235		-1,213		-191		-$3,307		-$36		...
Transportations of Things		...		-139		3		...		-22		1		...		...
GSA rent		...		-100		...		...		26		...		...		...
Communications, Utilities, and Misc Charges		...		-1,199		100		27		-76		-285		...		...
Printing and Reproduction		...		-62		4		-278		-12		1		-28		...
Other Services		$400		-1,210		222		-536		-115		-2,217		-78		-50
Supplies and materials		...		-264		280		-732		-203		-168		...		...
Equipment		...		-53		53		-1,027		-168		22		-28		...
Land and Structures		...		...		...		...		...		...		...		...
Total program workyears and obligations changes requested, 1991	...	400	-50	-3,281	...	897	-33	-3,891	-13	-761	-96	-5,953	-2	-170	-10	-916

Item	Program Adjustments To Meet Administrations Budget Levels															
	Training		Data & Comm		Info & Records		Intelligence		Research & Dev		Construct & Eng		Field Mgmt		Legal Proceed	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades																

GS/GM-14		...		...		...		...		...		...		...	-14	-$705
GS/GM-13	6	$256		...		...	-3	-$120		...	-3	-$120	-13	-$554		...
GS-12		...		...		...		...		...		...		...		...
GS-9		...		...		...		...		...		...		...		...
GS-5		...	-20	-$326	30	$489		...		...		...		...	-7	-114
GS-4		...	-20	-292	25	364		...		...		...		...		...
Total positions and annual rate	6	256	-40	-618	55	853	-3	-120	...	...	-3	-120	-13	-554	-21	-819
Lapse (-)	-13	-248	2	618	-131	-1,547	...	120	...	...	...	120	-5	-91	1	746
Other than Permanent	...	...	...	...	...	-24	...	...	...	...	...	...	...	-14	...	...
Other personnel compensation	...	...	...	...	...	-28	...	...	...	...	...	...	...	-59	...	...
Holiday	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	-7	8	-38	...	-76	-746	-3	...	...	...	-3	...	-18	-718	-20	-73
Personnel benefits		...		...		306		...		...		...		-257		...
Travel and transportation of persons		-250		-169		-33		...		...		1		...		-241
Transportations of Things		-11		...		-3		...		...		...		...		-25
GSA rent		...		...		...		...		...		...		...		...
Communications, Utilities, and Misc Charges		-11		-197		-210		-65		...		...		...		-208
Printing and Reproduction		-6		...		-33		...		...		...		...		-20
Other Services		186		116		-436		-47		-$10		-166		-145		-448
Supplies and materials		-5		7		-100		1		...		-27		...		-135
Equipment		-8		-2,116		-45		1		...		-5		...		-50
Land and Structures		...		...		...		...		...		...		...		...
Total program workyears and obligations changes requested, 1991	-7	-97	-38	-2,359	-76	-1,316	-3	-110	...	-10	-3	-197	-18	-1,120	-20	-1,200

Item	Prog Adj To Meet Admin Bud Levels				A-76 Savings		Base Changes		Program Decrease To Fund PL 101-173 (ADO)							
	Executive Dir		Admin Srvc		Info & Records		Data & Comm		Border Patrol		Investigations		Anti-Smuggling		Detent & Deport	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades																
GS/GM-14		...		...		...		...		...		...		...		...
GS/GM-13	-7	-$298	-10	-$426		...		...		...		...		...		...
GS-12		...	-20	-716		...		...		...		...		...		...
GS-9		...		...		...		...		...		...		...		...
GS-5		...	-13	-212	-55	-$896		...		...		...		...		...
GS-4		...		...	-55	-802		...		...		...		...		...
Total positions and annual rate	-7	-298	-43	-1,354	-110	-1,698	...	...	...	...	...	...	...	...	...	...
Lapse (-)	...	298	2	1,354	...	...	...	...	...	...	...	...	...	...	...	...
Other than Permanent	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Other personnel compensation	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Holiday	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	-7	...	-41	...	-110	-1,698	...	...	...	...	...	...	...	...	...	...
Personnel benefits		...		...		-129		...		...		...		...		...
Travel and transportation of persons		-61		-121		...		...		-$870		-$561		-$181		-$94
Transportations of Things		...		-23		...		...		-12		-4		-21		-1
GSA rent		...		...		...		...		...		...		...		...
Communications, Utilities, and Misc Charges		-74		-230		...		...		...		...		...		...
Printing and Reproduction		-17		-107		...		...		-16		-222		-12		...
Other Services		-99		-743		1,184		-$13,133		-937		-833		-182		-182
Supplies and materials		-11		-95		...		...		-1,152		-702		-210		-22
Equipment		-21		-41		...		...		-221		-161		-158		-6
Land and Structures		...		...		...		...		...		...		...		...
Total program workyears and obligations changes requested, 1991	-7	-283	-41	-1,360	-110	-643	...	-13,133	...	-3,208	...	-2,483	...	-764	...	-305

Item	Program Decrease To Fund PL 101-173 (AMO)										TOTAL	
	Emp Labor Rel		Ref & Overseas		Training		Intelligence		Field Mgmt			
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades												
GS/GM-14		...		...		...		...		...	-14	-$705
GS/GM-13		...		...		...		...		...	-30	-1,270
GS-12		...		...		...		...		...	-17	-600
GS-9		...		...		...		...		...	304	7,510
GS-5		...		...		...		...		...	-59	-962
GS-4		...		...		...		...		...	-50	-730
Total positions and annual rate	...	...	...	...	...	...	...	...	...	...	134	3,227
Lapse (-)	...	...	...	...	...	...	...	...	...	...	-402	-2,954
Other than Permanent	...	...	...	...	...	...	...	...	...	...	-104	-2,912
Other personnel compensation	...	...	...	...	...	...	...	...	...	...	73	1,431
Holiday	...	...	...	...	...	...	...	...	...	...	35	891
Total workyears and personnel compensation	...	...		...	...	...	...	...	...	...	-344	-317
Personnel benefits		...		...		...		...		...		216
Travel and transportation of persons		-$37		-$101		-$56		-$24		-$139		-6,002
Transportations of Things		...		-12		...		-5		-144		-410
GSA rent		...		...		...		...		...		-33
Communications, Utilities, and Misc Charges		...		...		...		...		...		-2,349
Printing and Reproduction		-19		-10		-2		-4		-75		-710
Other Services		-58		-39		-54		-83		-79		-10,603
Supplies and materials		-6		-11		-1		[illegible]		-50		-3,524
Equipment		-14		-37		-2		-27		-28		16,317
Land and Structures		...		...		...		...		...		17,100
Total program workyears and obligations changes requested, 1991	...	-134	...	-210	...	-115	...	-115	...	-515	-344	957

Immigration and Naturalization Service

Building and Facilities

Status of Construction and Summary of New Facilities Requirements
(In thousands of dollars)

	Budget Request or Appropriation									
	Planning and Site Acquisi.		New Construction or Expansion to Existing Facilities			Total Current Cost	Current Status Jan. 1990			
Project	Fiscal Year	Amount	Fiscal Year	Amount	Total Funding	Est. or Actual	Oblig. to Date	Stage of Program	Expected Completion Date	Estimated Activation Date
I. Under construction or fully funded:										
1. El Paso, TX BPS............	1985-86	$389	1989	$2,750	$3,139	$3,139	$3,139	Completed	9/89	9/89
2. San Pedro, SPC..	1987	1,089	1989	13,325	14,414	14,414	13,634	Under Construction	3/90	3/90
3. Temecula, CA Traffic Checkpoint.....	1987-88	$350	1989	$1,600	$1,950	$1,950	$1,950	Reim. Agreement with DOT	7/90	7/90
4. Modification of Topographical Features (Southern Border)......	1988	400	1988-89	3,719	4,119	4,119	3,527	Under Construction	12/90	12/90
5. Oakdale II.....	1987-88	1,000	1988	13,000	14,000	14,000	14,000	Reim. agreement with BOP In Procurement A/E Design	2/90	2/90

	Budget Request or Appropriation									
	Planning and Site Acquisi.		New Construction or Expansion to Existing Facilities			Total Current Cost	Current Status Jan 1990			
Project	Fiscal Year	Amount	Fiscal Year	Amount	Total Funding	Est. or Actual	Oblig. to Date	Stage of Program	Expected Completion Date	Estimated Activation Date
I. Under construction or fully funded (Continued):										
6. Blaine, WA BPS.........	1989	...	1989	470	470	470	470	GSA will construct	9/90	9/90
7. Spokane, WA BPS........	1989	...	1989	525	525	525	525	GSA will construct	9/90	9/90
8. Aguadilla, PR SPC...... (Phase I)	1989	144	1989	535	679	679	511	Under Construction	6/90	6/90
II. Planned facilities:										
1. Brackettville, TX* BPS....................	1988-89	65	1988-89	400	465	465	370	Under Construction	7/90	7/90
2. Brownfield, CA BPS*....	1989	356	1991	1,300	1,656	1,656	356	In procurement for A/E Design Contract	1/92	1/92
3. Ysleta, TX BPS*.......	1988-89	449	1989-91	1,000	1,449	1,449	449	Land acquired	4/91	4/91
4. Corpus Christi, TX* BPS..................	1988-89	255	1988-89	593	848	848	167	In procurement for A/E Design Contract	4/91	4/91
5. Uvalde, TX BPS*........	1988-89	30	1988-89	400	430	430	335	Under Construction	7/90	7/90
6. San Clemente, CA Checkpoint...........	1991	10,000	1992-93	22,000	32,000	32,000	...	Under Review by FHA Pending	7/95	7/95
7. Pt. Isabel, TX BPS..................	1989	46	1989-90	491	537	537	46	In procurement for A/E Design contract	4/91	4/91

* Site acquisition was done with funds made available from Immigration Reform and Control Act.

	Budget Request or Appropriation					Total Current Cost	Current Status Jan. 1990			
	Planning and Site Acquisi.		New Construction or Expansion to Existing Facilities							
Project	Fiscal Year	Amount	Fiscal Year	Amount	Total Funding	Est. or Actual	Oblig. to Date	Stage of Program	Expected Completion Date	Estimated Activation Date
II. Planned Facilities:										
8. El Paso, TX SPC*.....	1991	$248	1991	$1,675	$1,923	1,923	...	Under Study	12/92	12/92
9. El Centro, CA SPC*...	1991	78	1991	2,722	2,800	2,800	...	Under Study	4/92	4/92
10. Florence, AZ SPC*....	1991	796	1992	878	1,674	1,674	...	Under Study	3/93	3/93
11. Aquadilla, PR SPC*...	1991	1,090	1992	1,560	2,650	2,650	...	Under Study	6/93	6/93
12. Pt. Isabel, TX SPC*..	1991	71	1991	882	953	953	...	Under Study	3/93	3/93
13. Krome, FL SPC........	1991	400	....	4,100	4,500	4,500	...	Under Study	9/94	9/94
14. Alpine, Tx Traffic Checkpoint.........	1991	81	1991	113	194	194	...	Under Study	4/91	4/91
15. Marathon, Tx Traffic Checkpoint.........	1991	81	1991	113	194	194	...	Under Study	9/91	9/91
III. Under Consideration:										
1. Boston, MA, SPC.......	1991	70	1992-93	655	725	725	...	Under Study	7/94	7/94
2. Renovations at Varick Street.......	1991	...	1991	617	617	617	...	Under Study	4/91	4/91

* These are funded with the resources proposed to be transferred from the Assets Forfeiture Fund.

Immigration and Naturalization Service

Salaries and Expenses

Status of Congressionally Requested Studies, Reports, and Evaluations

1. The Senate Appropriations Committee Report 101-144 required the Immigration and Naturalization Service to alleviate delays at the Honolulu International Airport by filling existing vacancies, adding positions as required, and ensuring that sufficient inspectors at the airport are bilingual in English and Japanese. The Committee further required the Service to report to the Committee by April 1, 1990, on progress in taking corrective action.

   The Service will submit the report by April 1990 as required. Plans have been developed to increase staffing at the airport, subject to approval of a reprogramming of funds to augment the resources available from the Immigration User Fee Account. A substantial portion of the existing officer staff is bilingual and capable of conducting primary inspections interviews in Japanese. The new visa waiver form, I-791, has been printed in Japanese and has been distributed. These actions will facilitate the inspection of all passengers and will reduce delays.

2. The Senate Appropriations Committee Report 101-144 directed the Immigration and Naturalization Service to provide quarterly reports on refugee approvals and rejections worldwide. Quarterly reports were also required regarding staffing needs and availability for refugee processing including workload assumptions. These reports are being provided as required.

3. The Senate Appropriations Committee Report 101-144 notes that Oakdale, Louisiana, will eventually have more than 2,400 federal inmates within its city limits, with an accompanying risk of breakouts and emergencies. In view of this, the Committee directed the Service to explore the feasibility of an emergency warning system for Oakdale residents in the vicinity of the detention facility.

   The Service was to report to the Appropriations Committee by January 1, 1990, identifying the utility and cost for implementating a computerized safety system. This study has been delayed. It is anticipated that it will be completed by the end of February 1990.

4. The Conference Report (House Report 101-299), on the 1990 Department of Justice Appropriation required the Service to report to the House and Senate Appropriations Committees regarding the effectiveness of an expanded prototype of the Automated Fingerprint Identification System (AFIS), as well as the merits of the system on a region-wide basis. The report is due by April 15, 1990. Full implementation of the prototype at six additional sites is projected to take place in the fourth quarter of FY 1990. Therefore, the final report on the effectiveness of implementation at the additional sites will be delayed until the fourth quarter. An interim report will be provided by April 15, 1990.

Immigration and Naturalization Service

Salaries and Expenses

Priority Rankings

Base Program	
Program	Ranking
Inspections	1
Border Patrol	2
Investigations	3
Detention and Deportation	4
Anti-Smuggling	5
Intelligence	6
Refugees and Overseas	7
Training	8
Information and Records Management	9
Legal Proceedings	10
Empoloyer and Labor Relations	11
Data and Communicatuions	12
Construction and Engineering	13
Administrative Services	14
Executive Direction and Control	15
Field Management and Support	16
Research and Development	17

Program Increase	
Program	Ranking
Border Patrol	1
Construction and Engineering	2
Inspections	3
Administrative Services	4
Employer and Labor Relations	5
Information and Records Management	6

Immigration and Naturalization Service

Salaries and Expenses

Detail of Permanent Positions by Category

Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Request	1990 Adjustment in Perm Pos.	1990 Total	1991 Adjustment in Perm Pos.	1991 Program Increases	1991 Program Decreases	1991 Total
Attorneys (905)	414	360	-40	320	-14	...	...	306
Paralegal Specialist (950)	5	5	...	5	...	...	...	5
Other Legal and Kindred (900-999)	544	518	-18	500	-7	...	...	493
Contract Representative (962)	308	279	...	279	...	...	...	279
General Enforcement & Support (1800-1899)	696	676	-75	601	2	24	...	627
Detention and Deportation Officer (1801)	333	292	...	292	...	...	...	292
Detention Enforcement Officer (1802)	580	556	-5	551	...	...	...	551
Criminal Investigative series (1811)	1,814	1,825	-268	1,557	4	...	...	1,561
Immigration Examiner (1816)	700	599	-599	...	...	...	...	...
Immigration Inspectors (1816)	1,116	992	10	1,002	...	104	...	1,106
Border Patrol Agents (1896)	4,644	4,162	-73	4,089	...	176	...	4,265
Other Miscellaneous Occupations (001-099)	22	21	...	21	...	...	...	21
Social Sciences, Economics and Kindred (100-199)	27	23	...	23	...	...	...	23
Personnel Management (200-299)	239	214	...	214	...	...	...	214
Gen. Admin. Clerical and Office Services (300-399)	2,990	2,743	-574	2,169	-48	...	-110	2,011
Accounting and Budget (500-599)	162	148	-2	146	...	...	...	146
Medical, Dental and Public Health (600-799)	7	7	...	7	...	...	...	7
Engineering and Architecture (800-899)	109	92	1	93	-3	...	...	90
Information and Arts Group (1000-1099)	46	46	...	46	...	...	...	46
Business and Industry Group (1100-1199)	51	43	...	43	...	...	...	43
Physical Sciences Group (1300-1399)	4	4	...	4	...	...	...	4
Mathematics and Statistics Group (1500-1599)	29	29	...	29	...	...	...	29
Equipment Facilities and Service (1600-1699)	9	9	...	9	...	...	...	9
Education Group (1700-1799)	6	9	1	10	6	...	...	16
Supply Group (2000-2099)	64	64	...	64	...	...	...	64
Border Patrol Pilots (2181)	90	79	...	79	...	...	...	79
Transportation (2100-2199)	12	12	...	12	...	...	...	12
Other (WG)*	224	215	...	215	...	...	...	215
Total	15,293	14,030	-1,642	12,388	-60	304	-110	12,522
Washington	1,316	1,184	-259	925	-6	...	-17	902
U.S. Field**	13,703	12,575	-1383	11,192	-54	304	-93	11,349
Foreign Field	274	271	...	271	...	...	...	271
Total	15,293	14,030	-1,642	12,388	-60	304	-110	12,522

* Includes mechanics, janitors, maintenance workers and Foreign Service Locals.

** Includes 146 positions for field offices in the Washington, D.C. Standard Metropolitan Statistical Area (SMSA) in each year.

Immigration and Naturalization Service

Salaries and Expenses

Schedule of Motor Vehicle Requirements

Method of Acquisition and Type of Vehicle	1988	1989			1990			1991			
	End-of-Year Inventory	Acquired	Disposed	End-of-Year	Acquired	Disposed	End-of-Year	Acquired	Average Cost	Disposed	End-of-Year
Direct Purchase:											
Seized Vehicle											
Large Sedans	1,152	254	251	1,155	175	175	1,155	150	14,550	150	1,155
Midsize Sedans	831	209	197	843	275	275	843	1	12,763	1	843
Compact Sedan	963	35	35	963	60	60	963	3	11,751	3	963
Subcompact Sedan	104	27	29	102	15	15	102	2	10,919	2	102
Station Wagon	53	...	...	53	...	...	53	1	15,051	1	53
Van	1,166	200	171	1,195	175	148	1,222	77	21,455	77	1,222
Ambulance	1	...	...	1	...	...	1	...	...	...	1
Bus	91	...	...	91	...	...	91	7	239,010	7	91
Special purpose:											
4 Wheel Drive	1,009	150	127	1,032	94	68	1,058	90	15,106	90	1,058
Other	...	...	...	...	...	...	...	55	17,075	55	...
Trucks:											
Pick up	310	32	11	331	24	12	343	26	12,021	24	343
12,000 Gr. Wt	14	...	...	14	...	2	12	...	...	...	12
Subtotal purchased	5,774	907	821	5,860	818	755	5,923	412	20,689	412	5,923
Leased:											
Large Sedan	...	...	...	...	...	...	...	...	...	...	...
Midsize Sedan	...	...	...	...	...	...	...	...	...	...	...
Other	...	...	...	...	...	...	...	...	...	...	...
Subtotal leased	...	...	...	...	...	...	...	...	...	...	...
Seized or no cost excess:											
Large Sedan	87	22	22	87	19	22	84	11	...	7	88
Midsize Sedan	127	32	32	127	25	16	136	17	...	12	141
Other	409	72	60	421	56	101	376	190	...	144	422
Subtotal seized	623	126	114	635	100	139	596	218	...	163	651
Total Vehicles	6,397	1,033	935	6,495	918	894	6,519	630	20,689	575	6,574

Immigration and Naturalization Service

Salaries and Expenses

Schedule of Aircraft

Type of Aircraft (Passenger Capacity)	1988 End-of Year Inventory	1989			1990			1991			
		Acquired	Disposed	End-of-Year	Acquired	Disposed	End-of-Year	Acquired	Average Cost	Disposed	End-of-Year
Direct Purchase:											
Fixed Wing:											
Single engine (4)	44	...	5	39	10	6	43	6	860,000	4	45
Helicopter:											
Single engine (4)	6	...	...	6	4	...	10	4	600,000	...	14
Subtotal purchased	50	...	5	45	14	6	53	10	756,000	4	59
Seized or as excess:											
Fixed wing:											
Single engine (6)	1	1	...	2	...	...	2	...	...	...	2
Two engine (6 & 40)	1	3	3	1	...	...	1	...	...	...	1
Subtotal seized	2	4	3	3	...	...	3	...	...	...	3
Leased:											
Helicopter:											
Single engines (4)	16	...	...	16	...	4	12	...	...	4	8
Subtotal leased	16	...	...	16	...	4	12	...	...	4	8
Total Aircraft	68	4	8	64	14	10	68	10	756,000	8	70

Immigration and Naturalization Service

Salaries and expenses

Summary of Changes

(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Adjustments to base:			
Department of Justice Appropriations Act, 1990	12,742	12,142	$828,300
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding	...	200	16,891
1990 as enacted	12,742	12,342	845,191
Adjustment to permanent positions and workyears	-354	238	...
1990 Sequestration	...	...	-2,894
1990 appropriation anticipated	12,388	12,580	842,297
Mandatory increases:			
Annualization of 150 positions requested in the 1990 Congressional Budget	...	77	2,300
Annualization of 309 positions added by 1990 Budget Amendment (Anti-Drug Abuse Act)	...	55	2,500
One additional compensable day	...	...	1,710
1990 full-year pay increase impact on 1991 1/	...	...	19,050
1991 pay increase	...	...	6,352
Senior Executive Service increase	...	...	262
Special salary rates	...	...	1,646
Administratively Uncontrollable Overtime	...	...	11,071
Health benefits	...	...	4,700
Federal Employees Retirement System (FERS)	...	...	1,338
Federal Employees Compensation Act - Workers' Compensation	...	...	905
GSA rent	...	...	2,192
GPO printing costs	...	...	100
Employee data and payroll services	...	...	152
Foreign allowances	...	...	307
Distributed administrative support	...	...	141
Total, mandatory increases	...	132	55,664
Decreases:			
Nonrecurring costs for expansions of the Machine Readable Visa (MRV) program and the Automated Fingerprint Identification System (AFIS)	...	...	-7,000
Nonrecurring costs of personnel equipment for 150 positions received in 1990	...	...	-209
Nonrecurring costs of vehicles required to support Detention and Deportation operations	...	...	-2,356
Nonrecurring costs of employee transfers associated with 150 positions received in 1990	...	...	-487
Nonrecurring costs associated with full field investigations for 150 positions received in 1990	...	...	-263
Nonrecurring costs of personnel equipment for 309 investigations positions	...	...	-1,236
Nonrecurring costs for vehicles	...	...	-833
Nonrecurring costs for radios	...	...	-80
Nonrecurring costs associated with full field investigations for 309 investigations positions	...	...	-180
Nonrecurring costs savings due to conversion to FTS 2000	...	...	-1,079
Total, decreases	...	...	-14,569
1991 Base	12,388	12,712	883,392
Program changes:			
All Programs 1/	134	-452	957
1991 Estimate	12,522	12,260	884,349

1/ The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

Immigration and Naturalization Service

Salaries and expenses

Justification of Adjustments to Base

(Dollars in thousands)

Mandatory increases:	WY	Amount
1. Annualization of 154 new positions..	77	$2,320

This provides for the annualization of 154 positions approved for the Training and Detention and Deportation programs in the 1990 Congressional Budget.

	Approved 1990 Increase	Annualization Required
Annual salary rate of 154 approved positions..............................	$3,224	...
Less lapse (50%)........................	-1,598	$1,598
Other compensation.....................	325	259
Net compensation.....................	1,951	1,857
Associated employee benefits...........	461	463
Total costs subject to annualization.	2,412	2,320

	WY	Amount
2. Annualization of 109 additional positions	55	2,588

This provides for the annualization of 109 additional positions provided to the Investigations program for the President's Anti-Crime Initiative.

	Approved 1990 Increase	Annualization Required
Annual salary rate of 109 approved positions..............................	$3,414	...
Less lapse (50%)........................	-1,707	$1,707
Other compensation.....................	295	295
Net compensation.....................	2,002	2,002
Associated employee benefits...........	586	586
Total costs subject to annualization.	2,588	2,588

		WY	Amount
3.	One additional compensable day The annual salary rate for Federal employees is based on 260 paid days. During 1991 there is one more compensable day (261) that 1990 (260). Appropriate personnel benefits are included in this figure.	...	$1,710
4.	1990 full-year pay increase impact on 1991 This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $19,858,000 for full-year funding in 1991. Note: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 payraise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and build into the 1991 base.	...	19,858
5.	1991 pay increase This request provides for 50 percent of the proposed 3.5 percent pay increase effective in January 1991. 1/ The amount requested, $6,352,000, is half the cost of the pay increase for approximately three-quarters of the year assuming a 50 percent absorption.	...	6,352
6.	Senior executive service pay increase This request represents the 1991 costs of the pay increase for executive level employees and senior executive service employees. This pay raise is to be effective in January of 1990, but will be absorbed completely for the first year. In 1991, an increase of $242,000 is necessary for this requirement.	...	242
7.	Special salary rates This request provides increases as authorized by law in 5 U.S.C. 5303. The Office of Personnel Management (OPM) has approved these rates for positions where retention and recruitment of qualified applicants is a problem. The Department's request represents coverage of 33 authorized special rates.	...	1,446

1/ The 1991 budget requests an increase to fund reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected as a mandatory increase and built into the 1991 base.

	WY	Amount
8. Administratively Uncontrollable Overtime (AUO) P.L. 101-173 increased the limit on AUO payments from 25 percent of a GS-10 step 1 to 25 percent of total compensation. Since most law enforcement agents in the Department are compensated at levels above a GS-10 Step 1, this act increases the Department's AUO payments substantially. Total increased costs for the Immigration and Naturalization Service are $11,071,000.	...	11,071
9. Health benefits The Federal Employees' Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1990, the actual contribution to health insurance increased. The requested increase of $4,780,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.	...	4,780
10. Federal Employees' Retirement System (FERS) This request provides for the additional costs in 1991 necessary to continue the implementation of the Federal Employees' Retirement System Act of 1986, P.L. 99-335. The Act established a retirement program for Federal civilian employees hired after December 31, 1983, who are covered by social security for employees under the Civil Service Retirement System who chose to transfer to the new system. The increased requirement for 1991 is based on actual agency payments for the basic FERS annuity, Social Security and thrift savings.	...	1,332
11. Federal Employees' Compensation Act (FECA) - Workers' Compensation This increase reflects the billing provided by the Department of Labor for the actual costs in 1989 of employees' accident compensation. The 1991 amount will be $945,000 over the 1990 base.	...	945
12. GSA rent GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $2,192,000 is required to meet our commitment to GSA.	...	2,192
13. Government Printing Office (GPO) printing costs The GPO is currently projecting a 7 percent increase over the 1990 printing costs of $2,114,000. An additional $148,000 will be required in 1991.	...	148

	WY	Amount
14. Employee data and payroll services Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems, maintenance and payroll accounting, are based on the number of employee records maintained. The rate of $188.23 per record in 1990 will be raised to $199.52 per record for 1991. The change is based on anticipated uncontrollable cost increases of 6 percent for the operation of the Justice Employee Data Service. An increase of $152,000 will be required in 1991.	...	152
15. Foreign allowances Allowances for Government employees in foreign areas are determined by the Department of State (DOS). The State Department anticipates a 10 percent increase in 1991. The requested increase of $387,000 provides 10 percent more than the $3,870,000 budgeted for 1990.	...	387
16. Distributed administrative support Under the Foreign Affairs Administrative Support agreement an annual charge is made by the DOS for administrative support items. The amount of this charge is determined by the DOS. The DOS advises that a 10 percent increase in foreign operations costs is anticipated. The increase of $141,000 is based on a 1990 base availability of $1,410,000.	...	141
Total mandatory increases	132	$55,664

Decrease (Automatic non-policy):	WY	Amount
1. Nonrecurring costs for expansions of the Machine Readable Visa (MRV) program and the Automated Fingerprint Identification Systems (AFIS)	...	-$7,000
2. Nonrecurring costs of personnel equipment for 154 positions received in 1990	...	-249
3. Nonrecurring costs of vehicles required to support Detention operations	...	-2,356
4. Nonrecurring costs of employee transfers associated with 154 positions received in 1990	...	-487
5. Nonrecurring costs associated with full field investigations for 154 positions received in 1990	...	-263
6. Nonrecurring costs of personnel equipment for 109 Investigations positions	...	-1,234
7. Nonrecurring costs for vehicles	...	-833
8. Nonrecurring costs for radios	...	-80
9. Nonrecurring costs associated with full field investigations for 109 Investigations positions	...	-188
10. Nonrecurring costs savings due to conversion to FTS 2000 In 1991, the General Service Administration (GSA) is to have the FTS 2000 system fully implemented. At present GSA projections indicate costs for current FTS minute usage charges will decrease for 34 cents per month to 18 cents per minute. The requested reduction of $1,879,000 from the 1990 base, represents this decrease.	...	-1,879
Total decreases	...	-14,569
Total, adjustments to base	132	41,095

Immigration and Naturalization Service

Salaries and expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	1989 Actual		1990 Estimate		1991 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level IV, $83,600	1		1		1		...	
ES-5, $81,000	1		1		1		...	
ES-4, $79,200	12		12		12		...	
ES-3, $77,600	2		2		2		...	
ES-2, $74,400	4		4		4		...	
ES-1, $71,200	12		12		12		...	
GS/GM-15, $59,216-76,982	117		117		117		...	
GS/GM-14, $50,342-65,444	666		578		564		-14	
GS/GM-13, $42,601-55,381	437		442		412		-30	
GS-12, $35,825-46,571	806		834		817		-17	
GS-11, $29,891-38,855	2,329		1,425		1,425		...	
GS-10, $27,206-35,369	65		65		65		...	
GS-9, $24,705-32,121	4,824		4,163		4,469		306	
GS-8, $22,367-29,081	118		112		112		...	
GS-7, $20,195-26,252	1,093		946		946		...	
GS-6, $18,174-23,628	1,196		1,003		1,003		...	
GS-5, $16,305-21,201	1,043		1,372		1,313		-59	
GS-4, $14,573-18,947	983		790		700		-90	
GS-3, $12,982-16,879	473		385		385		...	
GS-2, $11,897-14,973	25		25		25		...	
GS-1, $10,581-13,230	2		2		2		...	
Ungraded positions	224		215		215		...	
1991 pay increase	...	...	...	...	...	$11,701	...	$11,701
Total, appropriated positions	15,293	$384,948	12,388	$372,002	12,522	394,320	134	22,318
Pay above stated annual rates	...	...	...	...	...	1,091	...	1,091
Lapses	-2,392	-61,428	-623	-13,395	-973	-19,460	-350	-6,065
Savings due to lower pay scales for part of year	...	-3,899	...	-4,539	...	...	...	4,539
Net full-time permanent	12,901	319,621	11,765	354,068	11,549	376,951	-216	22,883
Other than permanent:								
Part-time permanent	192	4,716	192	4,041	192	4,297	...	256
Temporary employment	704	13,077	311	6,042	207	4,178	-104	-1,864
Other part time and intermittent employment	317	5,680	312	4,883	312	5,134	...	251
Other personnel compensation:								
Overtime	841	21,583	841	10,689	873	12,651	32	1,962
Administratively uncontrollable overtime	800	33,414	800	24,838	800	36,794	...	11,956
Other compensation	2,470	10,508	2,470	24,674	2,505	25,654	35	980
1991 Overtime	159	11,337	159	2,334	292	3,667	133	1,333
Special personal services payments	...	702	...	289	...	289	...	...
Total, workyears and personnel compensation	18,384	421,438	16,858	431,858	16,730	469,215	-128	37,357
Average ES Salary		($73,281)		($75,452)		($81,167)		
Average GS/GM Salary		($24,758)		($25,649)		($25,724)		
Average GS/GM Grade		(8.54)		(8.54)		(8.55)		

Immigration and Naturalization Service

Salaries and expenses

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1989 Actual		1990 Estimate		1991 Estimate		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1 Full-time permanent	12,901	$319,621	11,765	$354,068	11,549	$376,551	-216	$22,483
11.3 Other than full-time permanent	1,213	24,273	815	14,966	711	13,609	-104	-1,357
11.5 Other personnel compensation	4,270	76,842	4,270	62,535	4,470	78,766	200	16,231
11.8 Special personnel services payments	...	702	...	289	...	289	...	...
Total, workyears and personnel compensation	18,384	421,438	16,850	431,858	16,730	469,215	-120	37,357
Reimbursable workyears:								
Full-time permanent	(2,075)		(3,108)		(3,109)		(1)	
Other than permanent	(770)		(957)		(661)		(-296)	
12 Personnel benefits		107,487		109,122		120,624		11,502
13 Benefits to former personnel		724		255		255		...
21 Travel and transportation of persons		31,503		52,745		45,714		-7,031
22 Transportation of things		2,541		1,623		1,063		-560
23.1 GSA rent		38,619		38,190		40,422		2,232
23.2 Rental payments to others		4,239		2,545		2,545		...
23.3 Communications, utilities and miscellaneous charges		20,855		21,262		17,077		-4,185
24 Printing and reproduction		2,700		3,773		3,203		-570
25 Other services		133,247		121,682		105,199		-16,483
26 Supplies and materials		20,061		30,334		26,800		-3,534
31 Equipment		10,700		28,629		34,765		6,136
32 Land and structures		1,630		6,490		17,389		10,899
42 Insurance claims and indemnities		169		27		27		...
44 Refunds		64		1		1		...
91 Unvouchered		20		50		50		...
Total obligations	18,384	820,973	16,850	848,586	16,730	884,349	-120	35,763
Unobligated balance, start-of-year		-9,667		-6,289		...		
Unobligated balance, transfered, net		300		...		...		
Unobligated balance, lapsing		4,128		...		...		
Unobligated balance, end-of-year		6,289		...		...		
Total requirements		822,023		842,297		884,349		
Relation of obligations to outlays:								
Total obligations		820,973		848,586		884,349		
Reduction of offsetting collections pursuant to P.L. 99-177		...		-53				
Obligated balance, start-of-year		214,115		143,388		198,342		
Obligated balance, end-of-year		-143,388		-198,342		-266,095		
Outlays		891,698		793,579		816,596		

Immigration and Naturalization Service

Salaries and Expenses

Consulting and Related Services
(Dollars in thousands)

	1989 Actual	1990 Estimate	1991 Estimate
Consulting Services.........................	...	...	...
Management and Professional Services........	$268	$275	$290
Special Studies and Analysis................	...	...	...
TOTAL..........................	268	275	290

Management and professional services are used by INS only for services which cannot be performed in-house. These services are required for: organizational structure, resource allocation and management direction reviews. The results of these reviews have been and will continue to be used within the Executive Direction and Control program to enhance agency efficiency and resource management.

Department Of Justice

Immigration and Naturalization Service

Immigration Legalization

Estimates for Fiscal Year 1991

Table of Contents

Item	Page Number
Summary Statement	1
Summary of Requirements	2
Justification of Program and Performance	3
Status of Congressionally Requested Studies, Reports and Evaluations	6
Detail of Permanent Positions by Category	8
Summary of Requirements by Grade and Object Class	9

Immigration and Naturalization Service

Immigration Legalization

Summary Statement

Fiscal Year 1991

The Immigration Reform and Control Act of 1986, Title II, Sections 201-204, established a Legalization program which provides temporary resident status to aliens who entered the U.S. illegally or lapsed into illegal status prior to January 1, 1982, who resided continuously in the U.S. since then, and who are not excludable. It also adjusts the status of these people to permanent resident status after 18 months of temporary status upon showing general admissibility and basic citizenship skills. Section 202 further provides for adjustment to permanent resident status of certain Cubans and Haitians who entered the U.S. prior to January 1, 1982.

To support the final year of this program in 1991, the Immigration and Naturalization Service will require $37,568,000 and 488 reimbursable workyears. The cost of the program is to be paid from fees collected from applicants for permanent resident status and from funds carried forward from the temporary resident phase of the program.

Section 201 of the Act calls for the Attorney General to prescribe a fee schedule to charge aliens for filing for adjustment. The fees collected will be available without fiscal year limitation, to cover all the administrative and other expenses incurred in connection with processing applicants for Legalization (except adjusting Cubans and Haitians), and will include expenses of the Federal Bureau of Investigation (FBI) and other Federal agencies.

Immigration and Naturalization Service

Immigration Legalization

Summary of Requirements

(Dollars in thousands)

Financing:	1989 Actual	1990 Anticipated	1991 Request
Unappropriated balance, start of year...........	$51,921	$51,921	$34,568
Collections..	63,089	37,439	3,000
Unappropriated balance, end of year.............	-51,921	-34,568	...
Budget authority (appropriation)...............	63,089	54,792	37,568
Unobligated balance, start-of-year..............	76,832	40,877	30,600
Unobligated balance, end-of-year................	-40,877	-30,600	-29,833
Obligations..	99,044	65,069	38,335
Outlays..	80,634	74,025	42,568
Obligations by program:			
Citizenship and Benefits:			
Adjudications and Naturalization...............	29,591	21,205	11,201
Immigration Support:			
Data and Communications Systems................	30,861	16,071	11,711
Information and Records Management.............	10,117	8,083	3,583
Intelligence..	1,563	1,690	611
Construction and Engineering....................	14,854	12,959	9,878
Field Management and Support....................	1,483	554	204
Legal Proceedings....................................	1,832	975	356
Subtotal..	60,710	40,332	26,343
Program Direction:			
Executive Direction................................	7,398	1,467	212
Administrative Services...........................	1,345	2,065	579
Subtotal..	8,743	3,532	791
Total obligations.................................	99,044	65,069	38,335

Immigration and Naturalization Service

Immigration Legalization

Justification of Program and Performance

Activity Resource Summary
(Dollars in thousands)

Activity: Immigration Legalization

Long Range Goal: To receive, process, review and subject to final action all applications submitted for temporary and permanent resident status under the Immigration Legalization Program, authorized by the Immigration reform and Control Act of 1986, P.L. 99-603, Title II, Sections 201-204.

Major Objectives:

- Operate temporary legalization offices in key locations throughout the country to receive applications for permanent resident status.
- Operate four regional processing centers to receive completed applications from the legalization offices, review, and approve or deny the applications.
- Enter into deportation proceedings those aliens who attempt to acquire permanent resident status fraudulently.
- Provide high speed data and communications systems support for the various offices to support the application receipt, review, and decision making processes.
- Provide reliable and accurate information and records support for the various offices so that information needed for the review of applications is correct and provided in such a way that processing is expedited.
- Provide necessary intelligence and document analysis to prevent the approval of fraudulent applications supported by falsified documents.
- Provide the representation needed by the Service in all legal proceedings generated by the program, primarily due to deportation proceedings and hearings that will result from the denials of applications for permanent resident status.
- Assure adequate management and administrative support is available in the field and in the Central Office so that the operations of the legalization offices and regional processing centers are efficient and services to those offices are timely.

Base Program Description:

On May 5, 1987, the legalization offices began accepting legalization applications from aliens. Applications were reviewed for completeness and interviews of aliens and alien families were conducted. If claims appeared legal, then applicants were recommended for approval and work authorization cards were issued. Voluntary agencies were paid a fee by the Service for assisting aliens in completing their application packages and in scheduling processing through INS offices.

After INS accepted an alien's application for temporary residence, final approval was reserved until name, fingerprint and other security checks could be made. These checks were made at one of four regional processing facilities. If the application was approved, a temporary resident card was issued. Fraud profiles were developed and matched against incoming alien applications. To the greatest extent possible, fingerprint checks with the FBI and State law enforcement officials were done on a tape to tape match. Data entry was a major cost item at these regional processing facilities. The process of converting temporary residents to permanent residency will require a similar procedure.

There are adjudications, records, and intelligence personnel at the regional processing facilities. Adjudications staff will review all recommended denials and sample the recommended approvals. Intelligence personnel use sophisticated document examination techniques to analyze alien applications and supporting materials in order to detect fraud.

Aliens who are denied temporary or permanent resident status will either voluntarily leave the country or enter into the appeals process. In the Legal Proceedings program, attorneys represent the agency in litigation arising from the new program in appeals and in cases resulting from denials of applications for temporary and permanent resident status.

The Construction and Engineering program supports the leasing of the legalization offices and the regional processing centers. Currently, 39 legalization offices are open. An additional 37 legalization offices are now co-located with district offices or suboffices to maintain a presence in areas with insufficient workload to justify a separate legalization office. In 1991 39 legalization offices are expected to be open at the beginning of the year to receive applications and to provide assistance to applicants in submitting their required materials. These offices will be closed during the year after the expiration of the application submission deadline.

The Administrative Services program provides limited administrative support to the Central Office and the regional offices to assist in managing legalization operations. Non-personnel resources are provided for supplies, guard services contracts for the legalization offices, background investigations for temporary INS employees, printing, supplies and various other expenses needed to support the ongoing program.

In 1991, a reduction of 90 positions and 233 workyears is proposed. This is consistent with the phasedown of the program. Staff will be needed to complete the processing of applications for permanent status and close the program down. Other changes reflected in the 1991 request include reductions due to the nonrecurring cost of equipment purchases, contract services which have been completed, and a phasing down of operations as a result of the completion of the permanent resident phase of the legalization program.

Accomplishments and workload: The workload for the Immigration Legalization Program is presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Applicants for temporary resident status	1,113,665	273,882	...	...
Applicants adjusted for temporary resident status	1,086,858	415,730	35,167	...
Applicants for permanent resident status	...	808,271	725,000	117,000
Alien files opened	1,113,665	273,882	...	...
General searches completed	5,011,493	1,369,410	600,000	...
Information services inquiries	3,467,246	1,206,276	500,000	250,000
Cases received for examination at document laboratories	11,308	5,818	245	...
New INS data inputs at El Paso Intelligence Center (EPIC) processed	1,814	3,375	3,400	3,400
Queries researched at EPIC	2,465	3,375	3,400	3,400
Positive INS responses to queries received by EPIC provided	389	588	600	600

Workload figures are based on planning assumptions developed for the Immigration Legalization Program, taking into consideration the interrelationships of the indicators and the completion of the temporary resident phase of the program. In November 1988, the permanent resident phase began and will continue for two years. The program ends in 1991 following the completion of processing of all applications.

Immigration and Naturalization Service
Status of Congressionally Requested
Studies, Reports, and Evaluations
Under the Immigration Reform
and Control Act of 1986

1. Visa Waiver Pilot Program

Under the Act, the Attorney General and the Secretary of State are authorized to conduct a pilot program for certain nationals from up to eight low-risk countries to enter the United States for up to 90 days without non-immigrant visas. Prior to implementation of a pilot project, the Attorney General must certify to the Congress that a system to monitor such entries and subsequent departures is in place. A report evaluating the visa waiver program and its impacts must be made to the Congress no later than two years after the start of the program.

Status: INS is continuing its efforts to enhance and expand its automated systems to support a visa waiver program. In conjunction with this effort, the Anti-Drug Abuse Act of 1988 included funding of a pilot program for the development of a machine readable travel document. These efforts will be coordinated as required in view of the similarities of their objectives.

2. Triennial Report on Immigration Impacts

The Act formally assigns responsibility for a Triennial Report on Immigration to the President. Actual responsibility for the preparation of the report is shared by the various affected Federal agencies, including INS. The INS is responsible for gathering and analyzing data on the numbers and types of aliens legally admitted to the United States and an estimate of the resident illegal alien population. The first report to the Congress was due in January 1989 and an updated report is due every three years thereafter.

Status: The first triennial report was completed and submitted to Congress by the White House.

3. Report on Implementation of Employer Sanctions

For three years after the implementation of employer sanctions, the INS will report annually to the Congress on the implementation and impacts of this program. Included in the reports will be an analysis of the adequacy of the employment verification system, the results of demonstration projects, the impact on the flow of illegal aliens and violations of nonimmigrant visa status and the impacts on the U.S. labor market (to be done in cooperation with the Departments of Labor and Health and Human Services and the Department of Justice Office of the Special Counsel).

Status: The report is in the final draft stages pending submission and consolidation of the Department of Labor sections into the report. The final report will be submitted to Congress in the early spring, 1990.

Report on the Legalization Program

Two legalization reports, due three and five years following ICRA passage are required by the Immigration Reform and Control Act. The first report, which will provide the Congress with a description of the legalized population and include information on their origins and demographic characteristics, is the responsibility of INS.

Status: The survey of legalized aliens conducted under contract by Westat, Inc. was completed in the summer of 1989. Data analysis has been completed and a second draft of the report has been finalized. The report will be submitted to Congress in the early spring, 1990.

Immigration and Naturalization Service

Immigration Legalization

Detail of Permanent Positions by Category (1)

Fiscal Years 1989-1991

Category	1989 Authorized	1990 Estimate	1991 Program Decreases	1991 Total
Attorneys (905)	50	50	-30	20
Contact Representative (962)	69	69	...	69
Criminal Investigators (1811)	6	6	...	6
Immigration Inspectors (1816)	21	21	-10	11
General Administrative and Clerical (300-399)	163	163	-50	113
Physical Sciences Group (1300-1399)	17	17	...	17
Total	326	326	-90	236
Washington	17	17	...	17
U.S. Field	309	309	-90	219
Total	326	326	-90	236

---

(1) This exhibit provides detail of reimbursable positions not portrayed in the salaries and expenses budget.

Immigration and Naturalization Service

Immigration Legalization

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	1989 Actual		1990 Estimate		1991 Request		Increase/Decrease	
	Position & Workyears	Amount	Position & Workyears	Amount	Position & Workyears	Amount	Position & Workyears	Amount
ES-1, $74,500	1		1		1		...	
GS/GM-15, $59,216-76,978	5		5		5		...	
GS/GM-14, $50,342-65,444	61		61		31		-30	
GS/GM-13, $42,601-55,381	36		36		21		-15	
GS-12, $35,825-46,571	13		13		13		...	
GS-11, $29,891-38,855	67		67		52		-15	
GS-9, $24,705-32,121	4		4		4		...	
GS-7, $20,195-26,252	73		73		53		-20	
GS-6, $18,174-23,628	41		41		31		-10	
GS-5, $16,305-21,201	18		18		18		...	
GS-4, $14,573-18,947	7		7		7		...	
Total, positions	326	$13,040	326	$13,509	236	$8,688	-90	-$4,821
Pay above stated annual rates	...	...	...	...	...	52	...	52
Lapses	-82	-932	-100	-2,730	-70	-2,100	30	630
Savings due to lower pay scales for part of year	...	-41	...	-43	...	...	...	43
Net full-time permanent	244	12,067	226	10,736	165	6,640	-60	-4,096
Other than permanent:								
Temporary employment	572	13,386	495	11,758	322	6,218	-173	-5,540
Other personnel compensation:								
Overtime	110	3,620	83	2,404	17	525	-66	-1,879
Special personal services payments	...	577	...	49	...	20	...	-29
Total, workyears and personnel compensation	926	29,650	804	24,947	505	13,403	-299	-11,544
Average GS/GM salary		($40,000)		($41,439)		($36,136)		
Average GS/GM grade		(12.57)		(12.57)		(12.13)		

Immigration and Naturalization Service

Immigration Legalization

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1989 Actual		1990 Estimate		1991 Request		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1 Full-time permanent..........................	244	$12,067	226	$10,736	166	$6,640	-60	-$4,096
11.3 Other than permanent..........................	572	13,386	495	11,758	322	6,218	-173	-5,540
11.5 Other personnel compensation................	110	3,620	83	2,404	17	525	-66	-1,879
11.8 Special personnel services payments.........	...	577	...	49	...	20	...	-29
Total..	926	29,650	804	24,947	505	13,403	-299	-11,544
Other objects:								
12 Personnel benefits..........................		4,676		4,543		3,166		-1,377
13 Benefits to former personnel................		7		...		...		...
21 Travel and transportation of persons........		1,100		1,418		975		-443
22 Transportation of things....................		88		178		150		-28
23.1 GSA rent....................................		11,801		11,777		6,000		-5,777
23.2 Rental payments to others....................		192		83		70		-13
23.3 Communications, utilities and miscellaneous charges..................................		1,610		1,188		950		-238
24 Printing and reproduction....................		802		1,068		270		-798
25 Other services..............................		46,777		18,009		12,704		-5,305
26 Supplies and materials......................		1,422		1,045		547		-498
31 Equipment..................................		911		813		100		-713
42 Insurance claims and indemnities............		8		...		...		...
Total obligations.........................	926	99,044	804	65,069	505	38,335	-299	-26,734
Relation of obligations to outlays:								
Total obligations..................................		99,044		65,069		38,335		
Obligated balance, start-of-year.................		...		18,410		9,454		
Obligated balance, end-of-year...................		-18,410		-9,454		-5,221		
Outlays......................................		80,634		74,025		42,568		

Department of Justice

Immigration and Naturalization Service

Immigration User Fee

Estimates for Fiscal Year 1991

Table of Contents

Item	Page Number
Summary Statement	1
Summary of Requirements	2
Justification of Program and Performance	3
Detail of Permanent Positions by Category	5
Summary of Requirements by Grade and Object Class	6

Immigration and Naturalization Service

Immigration User Fee

Summary Statement

Fiscal Year 1991

The Immigration and Naturalization Service (INS) will require 1,524 workyears and $110,000,000 in 1991 to continue implementation of this program. The cost of this program is to be paid entirely from fees collected from each individual arriving in the United States aboard a commercial aircraft or vessel from foreign locations (other than Mexico, Canada, or adjacent islands).

The Immigration User Fee Account was established in the 1987 Appropriation Act for the Department of Justice, (P.L. 99-591). Section 205 of the law directs the Attorney General, effective December 1, 1986, to charge and collect a $5 user fee from each individual arriving in the United States, aboard a commercial aircraft or vessel, from foreign locations (other than Mexico, Canada, or adjacent islands). All fees collected are to be deposited in an Immigration User Fee account. Section 205 of the law also directs the Secretary of the Treasury to reimburse, out of the Immigration User Fee account, the Immigration and Naturalization Service for the amounts paid to: provide immigration inspection and pre-inspection services for commercial aircraft and vessels; provide overtime immigration inspection services for passengers of commercial aircraft and vessels, administer debt recovery, including the establishment and operation of a National Collections Office; expand and operate information systems for non-immigrant control and debt collection; detect fraudulent documents used by air and sea passengers traveling to the United States; and provide detention and deportation services for excludable aliens arriving on commercial aircraft or vessels.

In conformance with the specific provisions of the legislation and the program objectives outlined in the Senate Appropriations Committee Report 99-425, the Immigration and Naturalization Service is able to staff airport and seaport facilities at a level that will ensure that immigration inspection services are sufficient to meet the demands of the travelling public, that the fees are collected and deposited in a timely manner, and that a consistently effective enforcement posture is maintained in the inspection of all arriving aircraft and vessels.

Immigration and Naturalization Service

Immigration User Fee Account

Summary of Requirements

(Dollars in thousands)

Financing	1989 Actual	1990 Estimate	1991 Request
Total obligations	$110,751	$106,969	$111,470
Unobligated balance available, start of year	-5,734	-3,439	-1,470
Unobligated balance available, end of year	3,439	1,470	...
Budget Authority/Receipts	108,456	105,000	110,000
Outlays	98,355	125,696	122,940
Obligations by program			
Enforcement:			
Inspections	74,397	67,368	74,374
Investigations	656	916	912
Anti-Smuggling	1,325	1,579	1,377
Detention and Deportation	13,960	12,710	12,092
Subtotal	90,338	82,573	89,755
Citizenship and Benefits:			
Refugees and Overseas	224	235	235
Immigration Support:			
Training	106	183	491
Data and Communications Systems	17,996	18,452	18,334
Intelligence	477	1,278	405
Construction and Engineering	55	102	51
Legal Proceedings	721	2,279	1,088
Subtotal	19,355	22,294	20,369
Program Direction:			
Executive Direction	47	110	51
Administrative Services	787	1,757	1,060
Subtotal	834	1,867	1,111
Total obligations	110,751	106,969	111,470

Immigration and Naturalization Service

Immigration User Fee Account

Justification of Program and Performance

Activity: **Immigration User Fee Account**

This budget activity includes resources for the payments of specific expenses necessary in providing immigration inspection and pre-inspection services for commercial aircraft and vessels, providing overtime immigration inspection services for commercial aircraft and vessels, administering debt recovery, expanding and operating information systems for non-immigrant control and debt collection, detecting fraudulent documents, and providing detention and deportation services for excludable aliens arriving on commercial aircraft or vessels.

Long Range Goal: To utilise the capabilities provided in the establishment of the Immigration User Fee Account (P.L. 99-591); to provide and maintain sufficient resources to carry out immigration inspection and pre-inspection services for commercial aircraft and vessels; to administer debt collection activities and enhanced data systems support for non-immigrant control and debt collection, and maintain an effective enforcement posture regarding the inspection of passengers on all arriving aircraft and vessels.

Major Objectives:

-Pay expenses incurred in the inspection of aliens and citizens arriving from foreign territories via air or sea.

-Expand pre-inspections activities to other locations worldwide.

-Increase the Inspections program staff as required at selected airports and seaports.

-Improve the administration of debt recovery, including the establishment of a National Collections Office.

-Develop new data systems, and expand and upgrade existing ones to monitor and control non-immigrant travel, detect fraudulent documents, and manage debt collection.

-Provide for the detention and deportation of excludable aliens arriving on commercial aircraft or vessels.

-Increase resources devoted to conducting investigations of major smugglers using air carriers.

-Conduct training for representatives of foreign carriers and immigration authorities on the detection of fraudulent documents.

Base Program Description:

The user fee provision, contained in P.L. 99-591 was formulated to alleviate this imbalance by providing a mechanism to allow for sufficient resources for INS to staff airport and seaport facilities at a level that will insure that inspections services are sufficient to meet the demands of the traveling public and that a consistently effective enforcement posture is maintained in the inspection of all arriving aircraft and vessels.

The funding estimate for 1991 will enable INS to be reimbursed for expenses related to the inspection of aliens and citizens arriving at airports and seaports from non-contiguous foreign nations, i.e., the cost of existing and new officer positions and related inspectional overtime, the provision of automated data support, costs related to forensic document analysis, fraud detection and improved debt collection, and expenses associated with the detention and deportation of excludable aliens arriving on commercial aircraft or vessels.

Since the inception of the User Fee program, steady growth has been experienced in foreign air and sea travel, thereby increasing the demand for inspections services. This has required increased resources and staffing by INS, primarily in the Inspections program and in support programs.

Accomplishments and workload: The workload of the Immigration User Fee Fund Account is presented in the following table:

	1988 Actual	1989 Actual	1990 Estimate	1991 Request
Total persons inspected at airports and seaports......	48,351,522	51,163,204	54,000,000	54,800,000
Smugglers apprehended (anti-smuggling)................	368	220	225	230
Deportable aliens apprehended (investigations)........	432	168	170	170
Cases completed (investigations)......................	31	42	42	42
Cases completed (anti-smuggling)......................	300	128	147	161
Convictions of smugglers (total)......................	225	78	140	155
Number of detention days..............................	51,000	214,937	237,565	237,565
Average stays in detention (days).....................	4.3	26.6	29.4	29.4
Aliens detained.......................................	12,000	8,080	8,100	8,100
Aliens expelled.......................................	9,000	59,593	59,600	59,600
Inadmissible aliens intercepted (inspections).........	76,123	77,006	80,000	80,000

Note: Workload is associated only with those activities funded through user fees.

Immigration and Naturalization Service

Immigration User Fee Account

Detail of Permanent Positions by Category (1)

Fiscal Years 1989-1991

Category	1989	1990	1991	
	Authorized	Authorized	Program Increase	Total
Attorneys (905)	20	20	...	20
Detention and Deportation Officers (1801)	116	116	...	116
Criminal Investigators (1811)	38	38	...	38
Immigration Inspectors (1816)	1,079	1,079	36	1,115
General Administrative and Clerical (300-399)	84	84	...	84
Accounting and Budget (500-599)	1	1	...	1
Total	1,338	1,338	36	1,374
Washington	11	11	...	11
U.S. Field	1,210	1,210	36	1,246
Foreign Field	117	117	...	117
Total	1,338	1,338	36	1,374

---

(1) This exhibit provides detail of reimbursable positions not portrayed in the salaries and expenses budget.

Immigration and Naturalization Service

Immigration User Fee

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	1989 Actual Position & Workyears	1989 Actual Amount	1990 Estimate Position & Workyears	1990 Estimate Amount	1991 Request Position & Workyears	1991 Request Amount	Increase/Decrease Position & Workyears	Increase/Decrease Amount
GS/GM-14, $50,342-65,445	20		20		20		...	
GS/GM-13, $42,601-55,385	7		7		7		...	
GS-12, $35,825-46,569	105		105		105		...	
GS-9, $24,704-32,120	1,079		1,079		1,115		36	
GS-6, $18,174-23,620	123		123		123		...	
GS-5, $16,305-21,197	4		4		4		...	
Total, positions	1,338	$33,657	1,338	$37,394	1,374	$38,401	36	$1,007
Pay above stated annual rates	...	...	...	...	...	140	...	140
Lapses	-164	-3,924	-134	-3,216	-36	-864	98	2,352
Savings due to lower pay scales for part of year	...	-361	...	-386	...	...	...	386
Net full-time permanent	1,174	29,372	1,204	33,792	1,338	37,677	134	3,885
Other than permanent:								
Other part-time and intermittent employment	350	8,104	320	7,571	186	5,243	-134	-2,328
Other personnel compensation:								
Overtime	153	2,956	100	2,048	240	4,560	140	2,512
Administratively uncontrollable overtime	10	259	3	102	3	102	...	...
1931 Act Overtime	755	23,357	680	19,713	680	22,293	...	2,580
Special personal services payments	...	7	...	...	...	...	...	...
Total, workyears and personnel compensation	2,442	64,055	2,307	63,226	2,447	69,875	140	6,649
Average GS/GM Salary		($24,540)		($25,420)		($25,409)	-	
Average GS/GM Grade		(9.19)		(9.19)		(9.19)		

Immigration and Naturalization Service

Immigration User Fee

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1989 Actual		1990 Estimate		1991 Request		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1 Full-time permanent	1,174	$29,372	1,204	$33,792	1,338	$37,677	134	$3,885
11.3 Other than permanent	350	8,104	320	7,571	186	5,243	-134	-2,328
11.5 Other personnel compensation	918	26,572	783	21,863	923	26,955	140	5,092
11.8 Special personnel services payments	...	7	...	...	...	...	...	...
Total	2,442	64,055	2,307	63,226	2,447	69,875	140	6,649
Other objects:								
12 Personnel benefits		11,288		9,964		11,350		1,386
21 Travel and transportation of persons		1,450		1,893		1,520		-373
22 Transportation of things		426		2,296		405		-1,891
23.1 GSA rent		...		...		...		...
23.2 Rental payments to others		101		12		127		115
23.3 Communications, utilities and miscellaneous charges		1,250		677		1,520		843
24 Printing and reproduction		736		136		633		497
25 Other services		29,807		27,010		24,773		-2,237
26 Supplies and materials		981		364		811		447
31 Equipment		652		1,391		456		-935
42 Insurance claims and indemnities		5		...		...		...
Total obligations	2,442	110,751	2,307	106,969	2,447	111,470	140	4,501
Relation of obligations to outlays:								
Total obligations		110,751		106,969		111,470		
Obligated balance, end-of-year		...		30,197		11,470		
Obligated balance, start-of-year		-30,197		-11,470		...		
Outlays		80,554		125,696		122,940		

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

Immigration Examinations Fee Account

Estimates for Fiscal Year 1991

Table of Contents

Item — Page Number

Summary Statement.......... 1

Summary of Requirements.......... 2

Justification of Program and Performance.......... 3

Detail of Permanent Positions by Category.......... 6

Summary of Requirements by Grade and Object Class.......... 7

Immigration and Naturalization Service

Immigration Examinations Fee Account

Summary Statement

Fiscal Year 1991

The Immigration and Naturalization Service (INS) is requesting 1,649 workyears and $90,000,000 for adjudication and naturalization services. Consistent with Congressional intent, the cost of these services is to be funded from fees collected from individuals applying for benefits under the provisions of the Immigration and Nationality Act.

The Immigration Examinations Fee Account was established in the Department of Justice Appropriation Act, 1989 (P.L. 100-459). Section 209 of the Act amends 8 U.S.C. 1356 by establishing a separate account into which the Attorney General may deposit adjudication fees collected under the regulations governing INS. All deposits to the account are paid out of this appropriation for expenses in providing immigration adjudication and naturalization services. The resources to be made available are used to adjudicate applications and petitions for benefits under the Immigration and Nationality Act and to provide necessary support to the Adjudications and Naturalization program.

Section 303 of the Immigration Reform and Control Act of 1986 provides for a Replenishment Agricultural Worker (RAW) program. Based on a joint determination between the Departments of Labor and Agriculture, in consultation with the Department of Commerce, the number of RAW workers required in the U.S. will be identified annually. This will occur by October of each year and may be done at other times during the year should an agricultural worker shortage emergency occur. Once this number is identified, INS will adjust its workload and resource estimates accordingly.

Immigration and Naturalization Service
Immigration Examinations Fee
Summary of Requirements
(Dollars in thousands)

Financing	1989 Actual	1990 Estimate	1991 Request
Unappropriated balance, start of year	...	...	...
Receipts	$140,939	$104,000	$107,782
Transfers to General Fund	-50,000	...	...
Total available for appropriation	90,939	104,000	107,782
Appropriation	90,939	104,000	90,000
Unappropriated balance, end of year	...	...	17,782
Total obligations	69,023	103,244	90,000
Unobligated balance, start of year	...	-21,916	-22,672
Unobligated balance, end of year	21,916	22,672	22,672
Budget authority	90,939	104,000	90,000
Outlays	68,682	103,244	90,000
Obligations by program			
Citizenship and Benefits:			
Adjudications & Naturalization	55,892	100,130	79,386
Immigration Support:			
Training	4	...	...
Data and Communications Systems	6,242	1,189	8,689
Information and Records	3,500	1,925	1,925
Construction & Engineering	228	...	...
Field Management	683	...	...
Legal Proceedings	978	...	...
Subtotal	11,635	3,114	10,614
Program Direction:			
Executive Direction	564	...	...
Administrative Services	932	...	...
Subtotal	1,496	...	...
Total obligations	69,023	103,244	90,000

Immigration and Naturalization Service

Immigration Examinations Fee Account

Justification of Program and Performance

Activity: Immigration Examinations Fee Account

This budget activity includes resources for the payments of specific expenses necessary to adjudicate applications and petitions for benefits provided under the Immigration and Nationality Act and to naturalize eligible aliens in a timely, efficient and equitable manner.

Long-Range Goal: To utilize the authorities provided in the establishment of an Immigration Examinations Fee Account (P.L. 100-459); to provide and maintain sufficient resources to facilitate the efficient, timely adjudication of applications and petitions for benefits provided by law; and to naturalize all eligible applicants.

Major Objectives:

Provide automated capabilities to Regional Service Center (RSC) and District Office (DO) operations to achieve currency, quality, consistency, equity, and efficiency objectives detailed below.

Assure that benefits are provided to those entitled under the Immigration and Nationality Act, and denied to those not entitled, in a prompt and courteous manner and without undue burden on the public.

Attain and maintain a current workload in adjudicating applications and petitions for benefits provided by Law.

Attain and maintain currency in naturalization and citizenship cases.

Manage resources in response to workload so that applicants will receive decisions of consistent quality and timeliness in all geographic jurisdictions of the Immigration and Naturalization Service.

Assure adequate support to perform Adjudications and Naturalization activities.

Base Program Description:

The Immigration Examinations Fee account, established by Public Law 100-979, provides for the depositing into a separate U.S. Treasury account, all adjudications fees collected under the regulations governing the Immigration and Naturalization Service. All deposits to the account are to be available until expended for the adjudication of applications and petitions for benefits and for necessary support for the adjudications and naturalization programs. Beginning in 1990, the adjudications and naturalization activities, previously funded under Salaries and expenses, are funded in this account.

The workload of the Adjudications and Naturalization program is expected to change in 1990 and subsequent years. This increase is primarily the result of the Legalization and Special Agricultural Workers programs provided for in the Immigration Reform and Control Act of 1986, P.L. 99-603, and the conditional residence required in the Immigration Marriage Fraud Amendment of 1986, P.L. 99-639. In 1991 it is estimated that 1,649 workyears and $90,000,000 will be required to address this workload. Without these additional resources, backlogs will develop in this program, the quality of service provided to the public will deteriorate, and the major objectives of this program will not be achieved.

With a permanently larger base of legal aliens applying for benefits, the Adjudications and Naturalization program is expecting a permanent workload increase. As aliens become permanent residents and are naturalized, it is expected that they will apply for benefits at least at the same rate as other legal aliens have.

Data systems improvements will provide enhanced access to Service databases to support Adjudications processing. Expansion of the Fee and Application Receipt Entry System/Computerized Application System, the Marriage Fraud System, and the Student/Schools System are essential components of this enhancement.

Additional records, legal and intelligence program personnel will be added at the RSCs to improve RSC operations.

Accomplishments and Workload:

Accomplishments of the Adjudications and Naturalization program are presented in the following table:

Item	1988	1989	Estimates 1990	 1991
Adjudications:				
Applications and Petitions received......................	2,245,487	2,440,682	2,800,000	3,000,000 1/
Applications and Petitions completed (a+b)2/.............	2,286,787	2,603,481	2,845,000	3,025,276 1/
a. completed within program....	1,375,671	1,635,763	1,925,000	2,105,276
b. Completed using immigration inspector standby time at ports of entry............	911,116	967,718	920,000	920,000
Pending, end-of-year............	408,075	245,276	200,276	175,000

Naturalization:	1988	1989	Estimates 1990	 1991
Applications and petitions received..........................	410,000	422,933	420,000	420,000
Applications and petitions completed.......................	406,011	437,832	440,000	440,000
Pending end-of-year..............	215,630	226,992	206,992	186,992
Persons naturalized..............	241,891	236,269	250,000	275,000

1/ Receipts and completions reflect increases in applications and petitions submitted by newly legalized aliens, aliens affected by the Marriage Fraud Amendment of 1986, and aliens affected by other provisions of IRCA.

2/ Includes Border Crossing Cards.

3/ The 1988 and 1989 workload actuals are being displayed in the Immigration Examinations Fee Account even though at that time it was part of the salaries and expenses budget.

Program Changes:

This submission reflects a decrease in the operating level of the program which was related to fee receipt projections available in the first quarter of 1990. As the receipt projections for FY 1990 and FY 1991 are reassessed and revised upward, the operating level of the program will also increase pending notification of the Congress through a Reprogramming Notification as required by law.

Opening Statement

Mr. Smith. The new Commissioner of the INS is Mr. Gene McNary. Since this is your first time before the Subcommittee, we will insert your biographical sketch into the record.

[The biography of Mr. McNary follows:]

Gene McNary

Gene McNary was sworn in as Commissioner, U.S. Immigration and Naturalization Service (INS) on October 26, 1989, following nomination by President George Bush and unanimous confirmation by the U.S. Senate. Prior to that appointment, he was elected to four terms as Chief Executive, St. Louis County, Missouri, 1975-1989. His previous public offices include two terms as Prosecuting Attorney, St. Louis County, 1967-1974, and a term as Assistant Public Defender, St. Louis County, 1963-1966.

Gene McNary was born in Muncie, Indiana on September 14, 1935. He attended the Executive Institute for Advanced Study at Washington University, St. Louis, Missouri; completed courses in International Affairs Program, Washington University; J.D., Indiana University, Bloomington, Indiana; B.S., Finance, Indiana University. He served in the U.S. Army Reserve.

He served as President of the Missouri Association of Prosecuting Attorneys. He served on various boards, including the East-West Gateway Coordinating Council, the Missouri Association of Counties, and the Regional Commerce and Growth Association. He established the Friendship Alliance with Beijing, China. He was the GOP Primary candidate for Governor of Missouri in 1972 and 1984 and the GOP candidate for U.S. Senate in 1980. He served as Chairman of the Missouri President Ford Committee, 1975-1976 and he was the St. Louis County Chairman, Bush/Quayle 1988.

Gene McNary is married to Susan McNary.

Mr. Smith. Do you have a statement?

Mr. McNary. Yes, sir, Mr. Chairman.

I would like to first of all introduce the INS people I brought with me. Tom Perrelli, Comptroller, is seated here to my right. Don Mueller is the Budget Director. Bill Cook, General Counsel; Edward Lynch is Special Assistant in charge of Policy Development. Lawrence Weinig, Acting Associate Commissioner for Examinations. Dr. Elizabeth MacRae, Associate Commissioner for Information Systems; and Mike Williams, who is Acting Assistant Commissioner in charge of the Border Patrol. I am hopeful that, with this team, we will be able to answer the questions that are presented.

Mr. Chairman, I am pleased to have the opportunity to appear before you in support of the 1991 budget request for the Immigration and Naturalization Service. While I have submitted a more detailed statement for the record, I would like to very briefly summarize our budget request.

This budget request includes 12,522 positions, 12,260 workyears, $884,349,000. This includes an increase of 134 positions and $42 million over the 1990 post-sequester appropriation level. When funds from the non-appropriated fee accounts are taken into consideration, total resources available to INS in 1991 would be over $1.1 billion.

The 1991 budget request will enable us to deal with the many critical and sensitive issues involved in administering the Immigration and Nationality Act.

Immigration and Naturalization Service

Immigration Examinations Fee Account

Detail of Permanent Positions by Category (1)

Fiscal Years 1989-1991

Category	1989 Authorized	1990 Estimate	1991 Request
Immigration Examiners (1816)	275	874	874
General Administrative and Clerical (300-399)	229	785	785
Accounting and Budget (500-599)	...	2	2
Total	504	1,661	1,661
Washington	12	61	61
U.S. Field	492	1,600	1,600
Total	504	1,661	1,661

---

(1) This exhibit provides detail of reimbursable positions not portrayed in the salaries and expenses budget.

Immigration and Naturalization Service
Immigration Examinations Fee Account
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1989 Actual Position & Workyears	1989 Actual Amount	1990 Estimate Position & Workyears	1990 Estimate Amount	1991 Request Position & Workyears	1991 Request Amount	Increase/Decrease Position & Workyears	Increase/Decrease Amount
ES-1, $71,200	...		1		1			
GM/GS-15, $59,216-76,982	...		6		6			
GM/GS-14, $50,342-65,444	...		33		33			
GM/GS-13, $42,601-55,381	...		49		49			
GS-12, $35,825-46,569	86		196		196			
GS-11, $29,891-38,859	189		536		536			
GS-9, $24,705-32,121	...		51		51			
GS-8, $22,367-29,081	...		4		4			
GS-7, $20,195-26,252	...		76		76			
GS-6, $18,174-23,628	...		41		41			
GS-5, $16,305-21,197	137		412		412			
GS-4, $14,573-18,941	97		216		216			
GS-3, $12,982-16,879	...		39		39			
GS-2, $11,897-14,973	...		1		1			
	...	...	...	...	...	$1,126	...	$1,126
Total, positions	509	$12,481	1,661	$46,961	1,661	48,087	...	1,126
Pay above stated annual rates	...	19,368	...	...	...	282	...	282
Lapses	-12	...	-166	-4,980	-166	-4,980	...	...
Savings due to lower pay scales for part of year	...	...	...	-500	...	...	...	500
Net full-time permanent	497	31,849	1,495	41,481	1,495	43,389	...	1,908
Other than permanent:								
Temporary employment	12	7,956	276	4,017	154	1,787	-122	-2,230
Other personnel compensation:								
Overtime	100	1,923	100	4,250	100	4,250	...	...
Special personnel services payments	...	136	...	7	...	7	...	...
Total, workyears and personnel compensation	609	41,864	1,871	49,755	1,749	49,433	-122	-322
Average GS/GM Salary		($34,164)		($38,273)		($38,951)		
Average GS/GM Grade		(9.22)		(10.22)		(10.22)		

(1) This exhibit provides detail of reimbursable resources not portrayed in the INS Salaries and expenses budget.

(2) Obligations in FY 1989 were impacted by extraordinary costs related to special asylum application processing operations in South Texas and for the processing of Soviet refugee applications in Europe.

Immigration and Naturalization Service
Immigration Examinations Fee
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1989 Actual		1990 Estimate		1991 Request		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11.1 Full-time permanent	492	$31,049	1,495	$41,401	1,495	$43,389	...	$1,988
11.3 Other than permanent	12	7,956	276	4,097	154	1,787	-122	-2,310
11.5 Other personnel compensation	100	1,923	100	4,250	100	4,250	...	...
11.8 Special personnel services payments	...	136	...	7	...	7	...	...
Total	604	41,064	1,871	49,755	1,749	49,433	-122	-322
Other objects:								
12 Personnel benefits		3,999		12,248		12,574		326
21 Travel and transportation of persons		2,003		2,104		2,200		96
22 Transportation of things		185		190		200		10
23.1 GSA rent		4,290		5,828		5,828		...
23.2 Rental payments to others		52		12		12		...
23.3 Communications, utilities and miscellaneous charges		1,950		2,187		2,300		113
24 Printing and reproduction		1,790		1,034		1,250		216
25 Other services		13,658		28,648		14,943		-13,705
26 Supplies and materials		335		868		890		22
31 Equipment		337		370		370		...
Total obligations	604	69,023	1,871	103,244	1,749	90,000	-122	-13,244
Unobligated balance, start-of year		...		-21,916		-22,672		
Unobligated balance, end-of year		21,916		22,672		22,672		
Total requirements		90,939		104,000		90,000		
Relation of obligations to outlays:								
Total obligations		69,023		103,244		90,000		
Obligated balance, start-of-year		...		342		342		
Obligated balance, end-of-year		-342		-342		-342		
Outlays		68,681		103,244		90,000		

Department OF Justice

Immigration and Naturalization Service

Immigration Emergency Fund

Estimates for Fiscal Year 1991

Table of Contents

Item	Page Number
Summary Statement	1
Summary of Requirements	2

Immigration and Naturalization Service

Immigration Emergency Fund

Summary Statement

Fiscal Year 1991

The Immigration Emergency Fund, authorized by the Immigration Reform and Control Act of 1986 and funded by Public Law 101-162, provides for possible emergencies in border patrol and other enforcement activities, and for reimbursement to States and localities for assistance in meeting an immigration emergency, subject to Presidential determination and Congressional notification. The budget anticipates no use of the $35,000,000 appropriated in either 1990 or 1991. No additional funds are requested for 1991.

Immigration and Naturalization Service

Immigration Emergency Fund

Summary of Requirements

(Dollars in thousands)

Financing:	1989 Actual	1990 Anticipated	1991 Request
Unobligated balance available, start of year......	...	...	-$35,000
Unobligated balance available, end of year........	...	$35,000	35,000
Budget authority (appropriation).................	...	35,000	...
Obligations......................................	...	...	...
Outlays..	...	...	...

BASIC ENFORCEMENT

Under enforcement-related activities, we are requesting for the Border Patrol 200 positions, 75 workyears, and $16,327,000 to enhance the operations of the Border Patrol's drug interdiction efforts and to increase our interdiction of illegal aliens along the southern border. The funding will support increases in the number of drug-tracking canine teams, sensors, helicopters, and the installation of passive physical border control devices.

I would like to note that our efforts in the war on drugs continue to show impressive results. During the fiscal year 1989, Border Patrol agents made 5,441 drug seizures, with an estimated street value of almost $1.2 billion. Early indications are that this level of seizures will continue through 1990.

The budget includes $12,688,000 for construction projects that directly support the Border Patrol mission. Funding of $10 million is included for the first phase of construction of a new traffic checkpoint at San Clemente, California, which will replace the existing, inadequate checkpoint on Interstate Highway Five. In addition, the budget includes $388,000 for two traffic checkpoints in the vicinity of Marfa, Texas, strategically located on smuggling routes leading from the Big Bend National Park area. Funding of $2,300,000 is also requested to replace the overcrowded and inadequate Border Patrol stations at Brownfield, California, and Ysleta, Texas.

The funding of $8,437,000 is requested to replace 412 vehicles in the Border Patrol and the Detention and Deportation programs that exceed the Federal Property Management Regulation's replacement criteria. Agents working in these programs depend heavily on an efficient, safe, and reliable vehicle fleet.

The extensive use of temporary immigration inspectors has become a problem at the land border ports-of-entry. Because temporary inspectors only receive on-the-job training, they never achieve the performance and productivity levels of the permanent staff. This request addresses that deficiency and includes funding of $1,306,000 for the conversion of 104 temporary inspectors to permanent status.

The budget also includes $75,000 for the expansion of INS's access to the National Crime Information Center/National Law Enforcement Telecommunications System to enhance INS's efforts in successfully responding to increasing criminal alien activities.

FEDERAL DETENTION FACILITIES

With regard to Federal detention facilities, an increase of $4.5 million is requested for the construction of a 300-bed lock-down men's dormitory at our Krome, Florida, detention facility. The lock-down provisions of this structure will meet standards set by the Congress for the detention of criminal aliens, which is a significant problem for INS in Florida.

ANTI-DISCRIMINATION

With regard to anti-discrimination, provisions prohibiting employment discrimination on the basis of national origin and citizenship status are contained in IRCA. A recent GAO report estimated that 22 percent of the employers were not aware that IRCA had passed. To remedy this deficiency, $884,000 is requested for the reproduction and distribution of informational pamphlets and flyers and public service announcements to enhance public awareness of the sanctions provisions of IRCA, with particular emphasis on an anti-discrimination campaign.

Funding of $92,000 is requested to support the telephone verification project mandated by IRCA. Telephone verification will encourage employer compliance with the anti-discrimination and work authorization provisions of IRCA by providing a simple, effective means of determining a prospective employee's work eligibility.

The audit of INS, conducted by the Department of Justice Audit Staff, noted that the existing Financial Accounting and Control System (FACS) was inadequate to handle the volume of transactions being generated within INS due to the growth of the agency. In order to remedy this deficiency, the budget requests $400,000 to begin the conversion of FACS to the Department of Justice's Financial Management Information System.

OTHER PROGRAM CHANGES

Other program changes include some program decreases that are requested for INS that reflect management and productivity savings and allow the Service to meet targeted budget levels established by the Administration. In addition, reduction of $11.1 million is requested to offset costs associated with the implementation of Public Law 101-173, the act amending the method by which premium pay is determined for administratively uncontrollable overtime (AUO) duty. This reduction will be achieved by instituting cost-saving measures.

This concludes my formal statement on behalf of the Immigration and Naturalization Service. I appreciate this opportunity to present the Service's budget request to the subcommittee. My Comptroller Tom Perrelli and I will be glad to respond to any questions that you may have.

[The prepared statement of Mr. McNary follows:]

DEPARTMENT OF JUSTICE
IMMIGRATION AND NATURALIZATION SERVICE

STATEMENT OF THE COMMISSIONER
GENE MCNARY
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before you in support of the 1991 budget request for the Immigration and Naturalization Service. This budget request includes 12,522 positions, 12,260 workyears and $884,349,000. This includes an increase of 134 positions and $42,052,000 over the post-sequester 1990 appropriation level. When funds from the non-appropriated Legalization Fee, Immigration User Fee, and Immigration Examinations Fee accounts are taken into consideration, total resources available to INS in 1991 will be over $1.1 billion.

The 1991 budget request will enable us to deal with the many critical and sensitive issues involved in administering the Immigration and Nationality Act. The budget request includes important program increases, primarily in the enforcement area, which will allow the INS to operate more effectively.

Basic Enforcement

The 1991 budget request includes enhancements of $38,833,000 for enforcement-related activities. For the Border Patrol program, we are requesting 200 positions, 75 workyears, and $16,327,000 to enhance the operations of the Border Patrol's drug interdiction efforts, a critical element in the Administration's National Drug Control Strategy, and to increase our interdiction of illegal aliens along the southern border. The funding will support increases in the number of drug-tracking canine teams, sensors, helicopters and the installation of passive physical devices to prevent alien and drug smugglers from driving across the border and bypassing established ports-of-entry. I would like to note that our efforts in the War on Drugs continue to show impressive results. During FY 1989, Border Patrol Agents made 5,441 drug seizures with an estimated street value of almost $1.2 billion. These figures represent an increase of 2,184 seizures and almost $500 million over FY 1988 totals. Early indications are that this level of seizures will continue through 1990.

The budget includes $12,688,000 for construction projects that directly support the Border Patrol mission. Funding of $10,000,000 is included for the first phase of construction of a new traffic checkpoint at San Clemente, California, which will replace the existing, inadequate checkpoint on Interstate Highway Number Five. The new facility will accommodate 16 inspection lanes, compared to three lanes at the present location. It will eliminate traffic backups and provide both physical barriers to protect our agents, as well as an overhead walkway for officer and public safety. In addition, the budget includes resources of $388,000 for two traffic checkpoints in the vicinity of Marfa, Texas, strategically located on routes leading from the Big Bend National Park area, which are frequently used by drug and alien smugglers. Funding of $2,300,000 is also requested to replace the seriously inadequate Border Patrol stations at Brownfield, California, and Ysleta, Texas.

Additionally, funding of $8,437,000 is requested to replace 412 vehicles in the Border Patrol and the Detention and Deportation programs that exceed the Federal Property Management Regulation's replacement criteria. Agents working in these programs depend heavily on an efficient, safe and reliable vehicle fleet. Many of these vehicles are in the 100,000 to 200,000 mile range and are uneconomical to maintain.

The extensive use of temporary Immigration Inspectors has become a problem at the land border ports-of-entry. Because temporary Inspectors only receive on-the-job training, they never achieve the performance and productivity levels of the permanent staff. INS was criticized in a Department of Justice audit for its heavy reliance on temporary inspectors. This request addresses that deficiency and includes funding of $1,306,000 for the conversion of 104 temporary inspectors to permanent status.

The budget also includes $75,000 for the expansion of INS' access to the National Crime Information Center / National Law Enforcement Telecommunication System (NCIC/NLETS) to enhance INS's efforts in successfully responding to increasing criminal alien activities.

Federal Detention Facilities

As a result of provisions in the Immigration Reform and Control Act of 1986 (IRCA) and the Anti-Drug Abuse Acts of 1986 and 1988, INS is increasingly involved in the detention and deportation of criminal aliens. These changes have placed greater stress on detention facilities and personnel and have led to overcrowding in several Service Processing Centers. Problems have been most evident at the Krome Service Processing Center, located in Miami, Florida.

By Congressional directive, the Service cannot detain criminal aliens at Krome until the facility's security rating is high enough to allow it to hold potentially violent felons awaiting deportation. Because of this restriction, criminal aliens have been transported, at great cost, from Florida to other locations - either to INS-owned or contract facilities. An increase of $4,500,000 is requested for the construction of a 300-bed lock-down men's dormitory at Krome. The lock-down provisions of this structure will meet standards set by the Congress for the detention of criminal aliens. Further, a 1990 Supplemental Appropriations language request is pending to use $10 million in unanticipated assets forfeiture funds to increase detention space at five existing INS facilities.

Anti-Discrimination

For Anti-Discrimination activities, the budget request includes $976,000. Provisions prohibiting employment discrimination on the basis of national origin and citizenship status are contained in IRCA. A recent GAO report estimated that 22 percent of employers were not aware that IRCA had passed and that of those employers aware of IRCA provisions, as many as 20 percent did not clearly understand the law's major provisions. To remedy these deficiencies and increase compliance with all aspects of the law, $884,000 is requested for the reproduction and distribution of informational pamphlets and flyers and public service announcements to enhance public awareness of the

Sanctions provisions of IRCA, with particular emphasis on the establishment of an Anti-Discrimination Campaign.

Funding of $92,000 is requested to support the Telephone Verification project mandated by IRCA. This system will provide employers with a simple, effective means of determining a prospective employee's work eligibility in cases where there may be some uncertainty about an individual's work authorization documents. Telephone verification will encourage employer compliance with the Anti-Discrimination and Work Authorization provisions of IRCA by making employment eligibility easier to determine.

Financial Management Improvements

The audit of INS, conducted by the Department of Justice Audit Staff and issued in February 1989, noted that the existing Financial Accounting and Control System (FACS) had numerous deficiencies and was inadequate to handle the volume of transactions being generated within INS due to the growth in the agency's appropriation and establishment of three major fee accounts since 1986. In order to remedy this deficiency, the budget requests $400,000 to begin the conversion of FACS to the Department of Justice's Financial Management Information System.

Other Program Changes

Various program decreases are requested for INS that reflect management and productivity savings and allow the Service to meet targeted budget levels established by the Administration. In addition, reductions of $11.1 million are requested to offset costs associated with the implementation of P.L. 101-173, the act amending the method by which premium pay is determined for irregular unscheduled overtime duty. These reductions will be achieved by instituting cost saving measures, including reductions in discretionary travel, permanent change of station moves, overtime and vehicle replacements.

Conclusion

This concludes my formal statement on behalf of the Immigration and Naturalization Service. I appreciate this opportunity to present the Service's budget request to the Subcommittee. My staff and I will be glad to respond to any questions you may have.

GRAMM-RUDMAN-HOLLINGS SEQUESTRATION EFFECTS

Mr. SMITH. You say you will take care of the sequestration problem by cost-saving measures. What are these cost-saving measures? Are they across the board or in certain specific areas? What are they?

Mr. McNARY. Tom Perrelli will answer.

Mr. PERRELLI. Mr. Chairman, the reductions for the year will be taken in a reduced vehicle buy for 1991 and in discretionary travel and overtime. The decision of the Service was to try to minimize the impact on the operating programs; namely, the law enforcement programs. So, Commissioner McNary has made some cuts in travel and overtime this year and plans to continue that policy next year.

Mr. SMITH. What type of vehicles are you talking about?

Mr. PERRELLI. Well, basically, they would be Border Patrol and detention vehicles.

Mr. SMITH. Automobiles?

Mr. PERRELLI. Automobiles, yes.

Mr. SMITH. What is the impact? Are you not replacing old ones, or are you just not going to have as many?

Mr. PERRELLI. Well, the intent in the 1991 budget request was to sort of establish—and I put this in quotes—"a revolving fund" for the routine replacement of vehicles. Over half of our vehicles are beyond the GSA limits in terms of suitability.

Mr. SMITH. So you will not reduce the number, but you won't replace them as fast?

Mr. PERRELLI. That is exactly it.

Mr. SMITH. Okay. You can do that in one year, can you, or two years?

Mr. PERRELLI. The plan is that the money would be a permanent part of the base, and we would begin—instead of a three-year cycle, we would have to stretch it out to a four-year cycle before they all would be replaced.

Mr. SMITH. Well, you did this last year, and then you do it again this year. Then you get a lower base. How is this going to affect this account? How long can you do this?

Mr. PERRELLI. Well, I would be foolish if I said we could do this forever. We cannot do this forever. Basically, the plan was to try to add additional Border Patrol agents this year. The request is for 200 Border Patrol positions. We are simply going to push back hiring into the later part of the year.

Mr. SMITH. You eventually will have to cut personnel.

Mr. PERRELLI. Yes. In the out-years, you eventually would have to come down.

Mr. SMITH. I mean you would have to cut the increase in personnel? That is what I am really talking about.

Mr. PERRELLI. Yes. An example of that is what this Committee did in 1990. You added 200 Border Patrol agents, which we desperately needed, but the money that was provided by this Committee and which we gratefully accepted, half of it had to be used just to absorb the pay raise. And, you can't continue that too far into the out-years before there has to be a reduction.

Mr. **Smith**. I was surprised at what you said about people not knowing about IRCA and especially employer sanctions. Tell us about this. We thought there was a big campaign going on, and that everybody was supposed to know about it.

Mr. **McNary**. Well, the GAO report indicates that 22 percent were not aware of IRCA. We have had an extensive program. I can have someone go into that, but we have contacted a million businesses.

Mr. **Smith**. What was wrong with the program we had that 22 percent of the businesses surveyed knew nothing about it? Did they not ever get any notices or not read the notices or what? What was the problem?

Mr. **Perrelli**. In previous congressional hearings, there was serious concern about the actual publicity program that was used, that it wasn't effective enough and it wasn't targeted to the specific groups. There was almost a year of congressional inquiry into that program. So there simply is a concern about all these people being aware. There was money requested in this budget for publicity.

IRCA AWARENESS

Mr. **Smith**. Well, do you think it was not targeted enough? What was the problem with the program?

Mr. **Perrelli**. In hindsight——

Mr. **Smith**. Well, it is hindsight, but what was the problem?

Mr. **Perrelli**. Commissioner McNary in his confirmation hearings did promise that in his administration we would do a better job.

Mr. **Smith**. That doesn't answer the question. What was wrong?

Mr. **McNary**. I do not think it was a broad enough campaign—it was too targeted at personal contacts. However, it was not a wasted effort as 78 percent were aware of the program.

Mr. **Smith**. But you didn't have a list then to reach everybody involved, is that it?

Mr. **McNary**. Yes, we just did not have the publicity campaign that would create the awareness, and that is important. What we are talking about with this appropriation is an awareness campaign that makes it clear to everyone.

Mr. **Smith**. Well, how will this campaign differ from what you did in the past? How will you reach that 22 percent?

Mr. **McNary**. Direct mail and television—just the various media outreaches that can be used to bring it to people's attention.

Mr. **Smith**. Have you identified what type of business groups these are, this 22 percent?

Mr. **McNary**. I don't think we have, Mr. Chairman.

Mr. **Smith**. How do you design a campaign to get to them if you don't know the nature of how they differ from the other 78 percent that did hear about?

Mr. **McNary**. First of all you find out where the 22 percent are. This is in the GAO report, and we will take a close look at that, and then adjust the campaign to include those areas. We have had more of a "rifleshot" with personal contacts, and it has been a great effort. There are a lot of people that could be advised and informed, and I am sure that there are some small businesses as well.

Mr. SMITH. You don't at this point, then, have a specific campaign in mind?

Mr. McNARY. We don't.

Mr. SMITH. We don't want the money just to be spent to reach the same 78 percent that already know about it. Do you have a campaign in mind to reach the 22 percent that did not know about it?

Mr. McNARY. I don't have a plan that I can give you or a budget that specifies each expenditure into what area of publicity. We do know, in general, the kind of publicity campaign that we would go into. We will submit that for the record later.

[The information follows:]

IRCA AWARENESS CAMPAIGN

Currently, we are in the process of developing a publicity campaign that would foster the awareness and importance of the Immigration Reform and Control Act. As soon as it is available, it will be submitted to the Subcommittee.

Mr. SMITH. Mr. Kolbe, do you have a question on this?

Mr. KOLBE. I do, but that is all right. I will wait, Mr. Chairman.

EMPLOYER SANCTIONS

Mr. SMITH. It is a concern that you are not reaching all of these employers. Some of them don't know about the sanctions, and sanctions are necessary, I think. Some Members disagree, but I think you can't expect to administer the laws unless you have sanctions.

We gave the INS all the money we thought you needed for this purpose so people would know. Then we later find out that there are employers that use as a defense that they didn't even know about the law. It is an important thing, don't you think?

Mr. McNARY. Yes, sir.

Mr. SMITH. Find out who those 22 percent are and go after them with a campaign that gets you right down to them. It doesn't do any good to spend more money on the same 78 percent.

Mr. McNARY. That is right, Mr. Chairman. I wasn't here, and I didn't administer that campaign. I can tell you that a year from now there won't be 22 percent who don't know about IRCA.

BORDER PATROL SEIZURES

Mr. SMITH. Now, tell me about seizures at the border. I know you have Border Patrol numbers of more drug seizures than anyone else. It has been a major player in the attempt to try to keep drugs from coming into the country. Tell us something about that. What is the size and nature of these seizures? Are they just people in automobiles that are coming across the border?

Mr. McNARY. We have got some numbers here that are maybe more specific than you are looking for.

Mr. SMITH. Good.

Mr. McNARY. The number of seizures with regard to marijuana, 1,570.

Mr. SMITH. Do you have the quantity, average quantity or anything like that?

Mr. McNary. I don't know. Mike, do you know?

Mr. Williams. In terms of tonnage or breakdown of marijuana and cocaine, no.

Mr. Smith. Are they small amounts or large amounts?

Mr. Williams. They vary, sir. They vary from just personal-use seizures to large tonnages of marijuana. We have seized as much as a ton of cocaine at a checkpoint.

Mr. Smith. Tell us about the ton of cocaine. Was that at a checkpoint?

Mr. Williams. Yes, sir.

Mr. Smith. What kind of vehicle was it in?

Mr. Williams. Well, there have been several seizures almost reaching that level. They have been in either a motorhome, a truck, or a semi. There have been some seizures hidden in compartments of automobiles. They are very sophisticated in the way they conceal the cocaine. You you can make a lot more profit on a small amount of cocaine than you would with marijuana. We have had marijuana concealed under fruit, under vegetables with ice on top of it, in large semi-trucks. We also found drug-related money that has been hidden in compartments.

INS' CANINE PROGRAM

Mr. Smith. How do you find it? I mean, you know, you get cars coming one after the other, a whole line of them waiting there to get across. How can you identify which car has drugs?

Mr. Williams. A lot of it has to do with the nervousness of the driver, and the experience of the agent on the checkpoint. A big asset has been our canine program, our sniffer dogs that can sniff out drugs as well as people.

Mr. Smith. But not money.

Mr. Williams. We have had some "hits" on money, sir.

Mr. Smith. Is that right?

Mr. Williams. Yes, sir. If the people that handle the money have been handling marijuana or cocaine, the dogs have hit on the money.

Mr. Smith. Then that has been a very successful program.

Mr. Williams. Yes, sir.

Mr. Smith. Do you have those at every checkpoint?

Mr. Williams. No, sir. We hope to double our efforts next year on the number of dogs we have. When you think about running a checkpoint 24 hours a day, and the number of checkpoints we have across the country, and that a dog can work for 20 to 30 minutes at a time, then it needs a break. We are not up to speed because we have a shortage of dogs.

Mr. Smith. Well, tell us about the number you need, the number you don't have.

Mr. Williams. Well, sir, we right now have approximately 70 dogs, and we would like to double that at this point.

Mr. Smith. Would that give you coverage?

Mr. Williams. It would make a significant inroad into our effectiveness.

Mr. Smith. But you still wouldn't have them there at all times?

Mr. Williams. No, sir.

Mr. Smith. Do you have any numbers showing what it would take?

Mr. Williams. I can get that for you, sir.

Mr. Smith. I think we need to extend in the record some pretty detailed information on this canine program. Obviously, people can't do what a dog can do.

Mr. Kolbe. If the gentleman would yield?

Mr. Smith. Yes.

COST OF THE CANINE PROGRAM

Mr. Kolbe. I have had an opportunity at the border to see this canine program at work. It is phenomenal and very successful. For the record, how do you figure the cost per canine team? Is it based on just the care and feeding of the dogs, or do you include personnel costs in there?

Mr. Williams. We include the initial cost of acquiring the dog and training the dog and the handler. We have the agents already on-board, and we have volunteers from the Officer Corps ranks who want to be handlers. We send them to training and then match them up with a dog.

Mr. Kolbe. Mr. Chairman, one other question on that. Does that mean if the volunteer becomes a canine handler he is taken off of other duties? Does that take him away from other responsibilities?

Mr. Williams. The officer will be enforcing the immigration laws as well as the drug-related laws. Whether he is on the checkpoint with the dog or without the dog, he is going to be there enforcing the laws, assisting the other agents. As I have indicated, the dogs will take breaks, and the agent will continue to be there to process the numbers of people that we apprehend. It will not be detracting from our enforcement, to answer your question.

Mr. Kolbe. Thank you, Mr. Chairman.

Mr. Smith. What kind of a cost per canine do we have?

Mr. Williams. Well, this is a rough estimate, but about $6,000 per dog. That includes the training of the agent. Then there is a minimal cost in terms of feed and veterinary care.

Mr. Smith. Very little cost compared to the money seized.

Mr. Williams. Yes, sir. Just in the money alone that the drug dogs have seized, we have many, many times over acquired drug-related moneys in relation to the cost.

Mr. Smith. Well, you are only proposing another increment in what could be a big program. Why are you not proposing a bigger increment?

Mr. Perrelli. Well, we are proposing, Mr. Chairman, to double the number of canine units from 70 to 140.

Mr. Smith. Well, I know, but it is still going to leave, what, 80 percent of your capacity unfunded or something like that? Is that right?

Mr. Williams. Well, we would be doubling our canine force under the proposed budget, and that is pretty significant.

Mr. Smith. Well, is that the fastest you can increase? Why is that the amount you decided to increase?

Mr. Williams. Based on our budget, that is what we felt we could afford this year.

Mr. SMITH. Isn't the canine program a more productive way to spend money than some other way?

Mr. WILLIAMS. Well, it is, sir. It is productive, but there are other things we need, such as low-light television and sensors, and those kinds of things that also make our job easier and make us more effective.

Mr. SMITH. It seems like to me that that canine program is even more important than adding people. Isn't it?

Mr. WILLIAMS. It is important, sir.

Mr. SMITH. I mean, you get a lot more for your—$6,000 for a canine is not—you know, you train them and it is for several years, probably.

Mr. WILLIAMS. Well, we also have a congressional mandate to apprehend aliens. The drug dogs, although they are effective at the checkpoint to sniff out people in vehicles cannot work alone. We need agents on the line to apprehend illegal aliens and smugglers of parrots and guns and other things we run into. So, the dogs are very effective at our checkpoints, but with the other responsibilities of alien apprehension, we feel we are balanced in our approach.

Mr. SMITH. Can you do it now, or are you going to be able to tell us what the optimum would be in a canine program?

Mr. WILLIAMS. I could get that to you, sir. I would prefer to ask my staff.

Mr. SMITH. Yes. Understand, we couldn't do it all in one year anyway if you wanted us to, but——

Mr. WILLIAMS. Yes, sir. But I can get those figures for the record, sir.

Mr. SMITH. Yes, what the goal would be.

Mr. WILLIAMS. Yes, sir.

[The information follows:]

BORDER PATROL CANINE UNITS

The Patrol currently has 71 canine units within the nationwide program. (A canine unit consists of one dog and one handler.) The 1991 budget enhancements would allow for an additional 79 dogs to be placed along the southern border bringing the level to an optimum 150 units. The additional 79 canines would provide for 24-hour canine coverage capability on all of the southern border checkpoints. However, this 24-hour canine coverage capability does not imply that the Patrol has 24-hour operations at all of the checkpoints. There are several factors which prevent 24-hour operations, such as weather conditions, peak traffic flows and shortages in officer staffing. The Patrol has also factored into the total number of canines required, the necessity to continue the highly successful school presentations, which use the dogs as part of the Drug Demand Reduction education program.

MACHINE-DOCUMENT READERS

Mr. SMITH. What about the machine-readable visa program? How is that coming? Is it helping?

Mr. MCNARY. Dr. MacRae.

Ms. MACRAE. This is going along very well as part of the major effort we call Interagency Border Inspection System, IBIS, which is a joint effort with Customs and the State Department to automate the borders entirely. If you remember, we talked to you two years ago about the machinery, the documents, and about the IBIS program. It is going along very nicely. It is supported both by appropriated funds and by the inspection user fee funds. We are cooperating very well with the Department of State and with Customs. We have installed nearly 16, or by the end of this year we will have installed the IBIS system in nearly 16 airports. We are putting over a thousand new machine-document readers in airports and locations throughout the country by the end of this year. I think it is going very well.

Mr. SMITH. You are receiving full cooperation from all of the agencies involved?

Ms. MACRAE. Yes, absolutely.

Mr. SMITH. It gets you some immediate information, does it?

Ms. MACRAE. It works very nicely. It works very well. It saves the effort of the individual at the port-of-entry who doesn't have to type things in. You can put a passport or a visa through there; it reads it very nicely.

Mr. SMITH. Mr. Rogers.

Mr. ROGERS. To follow up on the machine-readable visa, are we turning up people who have warrants outstanding against them with the system?

Ms. MACRAE. We identify fraudulent passports, fraudulent visas with that system. The major impact is that it allows us to process people through the checkpoints much faster. You don't have to have an agent who sits there and types in someone's name. You simply pass it through; it records the information from the individual's passport visa, or other document and sends it to our automated look-out system, combined with Customs and State. That is the advantage of it. Also it is designed through the look-out system to find passports which are reported stolen or fraudulent. We can identify, in some cases, passports which are fraudulent, and or our agents on the spot also have personal expertise to do that as well.

Mr. ROGERS. Well, are you spotting some fraudulent passports with it?

Ms. MACRAE. Sometimes, yes.

Mr. ROGERS. How many?

Ms. MACRAE. Offhand I don't know. I can get that information for you.

COUNTRIES WITH MACHINE-DOCUMENT READERS

Mr. ROGERS. You say there will be a thousand of those machines in operation by the end of this fiscal year?

Ms. MACRAE. That is correct.

Mr. ROGERS. On all coasts, all ports of entry?

Ms. MACRAE. Yes, 54 separate locations will have them.

Mr. ROGERS. Now, in what countries do we have machines which that are compatible with your machines?

Ms. MACRAE. Which countries have passports which are machine-readable?

Mr. ROGERS. Yes.

Ms. MACRAE. Okay. The United States, of course; Australia; Canada; Finland; France, Germany, the Netherlands, and the United Kingdom issue machine-readable passports. All the countries which belong to the International Civil Aeronautics Association are actively looking at the machine-readable passports, visas and identification cards. Our identification card for aliens is one of the documents which our machine readers can read; our so-called green card is already readable by these gadgets.

Mr. **Rogers**. Do we have these machines in operation on the Mexican posts, stations, checkpoints?

Ms. **MacRae**. Yes.

Mr. **Rogers**. Are we turning up any people at those checkpoints on the Mexican border with fraudulent ID cards?

Ms. **MacRae**. I can get that information for you.

Mr. **Rogers**. Well, do that, but give me a rough estimate now.

Ms. **MacRae**. Offhand, I don't know. I am sure we are.

[The information follows:]

Detection of Fraudulent Documents at United States—Mexico Ports-of-Entry

The Immigration and Naturalization Service intercepted approximately 28,000 persons attempting to enter the country using various types of fraudulent documents. Ninety-three percent (approximately 26,000) were detected along the U.S.-Mexico border. The fraudulent documents were discovered through a variety of means that included discovery through the use of machine readers.

DETECTION OF FRAUDULENT DOCUMENTS

Mr. **Rogers**. Does anybody here know?

Mr. **Perrelli**. The plan for the land borders was three stations this year.

Ms. **MacRae**. That is August. The machine-readable documents—it is a fair question. I need to get you these things. The question is: Is it the machine reader that turns up the fraudulent document, or is it the expertise of the person at the booth? It is probably more the expertise of the person at the booth to recognize that something looks wrong with the documents, and that is as it should be. Our people at the inspection stations are experts. They know what they are doing. They are very qualified people.

Mr. **Kolbe**. Would the gentleman yield on that point?

Mr. **Rogers**. Yes.

Mr. **Kolbe**. You said they are issuing visas now in Mexico that are machine-readable. Do you have them at all of our consulates?

Ms. **MacRae**. The State Department issues machine-readable visas.

Mr. **Kolbe**. One hundred percent of our Mexican visas?

Ms. **MacRae**. No, not all of them. Only Santo Domingo? I am sorry. I was a little bit ahead of myself.

Mr. **Kolbe**. I thought that was what you were going to say. I don't think you have the program very well established at this point.

Ms. **MacRae**. We are working on all of those.

Mr. **Kolbe**. It is too bad we don't have Mr. Early here. He would handle this in much greater detail. I know his concern is there is no coordination between your agency and the State Department on this issue.

Ms. **MacRae**. I think that is not correct. The State Department is moving ahead as they see fit. They issue the visas. The visa waiver program is also in place. Those people will not have visas. So whether the visa is machine-readable or not will not make a difference.

MACHINE READABLE GREEN CARDS

Mr. KOLBE. If I might ask one question on green cards They are not issued by the State Department are they, but entirely by your agency?

Ms. MACRAE. That is our area.

Mr. KOLBE. You do not have machine-readable green cards yet on that order, do you?

Ms. MACRAE. All the new green cards are machine-readable.

Mr. WEINIG. I am Lawrence Weinig, Acting Associate Commissioner for Examinations. Presently, there are two versions of the alien registration card, the I-551 form. They are both machine-readable. The border crossing card, the I-586, which is issued to regular Mexican border crossers, is also machine-readable.

Mr. KOLBE. So anybody who is getting a green card today is getting a machine-readable one? At what point will we have 100 percent machine-readable?

Mr. WEINIG. Some of the early readers that Customs put out were not fully compatible with the I-551. Those machines are being converted now so that all machines will be able to read the documents that are machine-readable.

Mr. KOLBE. At what point would you say that virtually a hundred percent of the green cards at border will be machine-readable? When will we have complete replacement of the old cards?

Mr. WEINIG. Currently, we have just begun a program to replace the older edition of the alien registration card, the I-151 which had been issued. There are probably 12 or 13 revisions of which go back to the 1940's and 1950's. We are currently looking at replacing those now, but we are trying to work it in. We also have all the legalization applicants or the temporary residents will be coming up to gain permanent residence. So, we have a rather large volume of alien registration cards that are coming through the pipeline now, and we haven't made any decisions yet about acquiring additional equipment. It is a fairly substantial outlay for new factory equipment to issue the cards.

Mr. MCNARY. It seems to me that if we doubled our capacity, which would be a $4 million bill—is that correct?

Mr. WEINIG. Something like that.

Mr. MCNARY. We could have all the green cards machine-readable within a year. Is that fair?

Mr. WEINIG. Maybe two.

FUNDING FOR MACHINE-READABLE DOCUMENTS

Mr. ROGERS. Well, are you requesting money in your current request, more money for that system?

Mr. MCNARY. No, we are not in this budget.

Mr. ROGERS. Is there money in your base for the machine-readable?

Mr. PERRELLI. For 1991, for the IBIS program—correct me if I'm wrong—there is $8 million in the inspection user fee account for that program, but we do not have funding in the appropriated accounts. For 1990, we had $7 million in the appropriated account and roughly $5.3 million in the user fee account. So we are trying to keep it going, but it won't be at the same funding level as the previous year.

Mr. ROGERS. Do I hear you correctly that there is no money that you are requesting or have available that will allow you to increase the machine-readable program beyond what it is now?

Ms. MACRAE. The inspections user fee, which had covered about half of what we spent in 1989 and 1990, that will continue. We expect that to continue. We have not requested money from base appropriations to continue it.

Mr. ROGERS. Well, will those funds, then, allow you to continue to increase the coverage of the machine-readable?

Ms. MACRAE. At the airports.

Mr. ROGERS. Only at the airports?

Ms. MACRAE. Only at the airports.

Mr. ROGERS. So, we don't have any plans to increase machine-readable at the checkpoints?

Ms. MACRAE. In fiscal 1991, there are other administration priorities that we felt were more important.

Mr. ROGERS. I'm sorry?

Ms. MACRAE. There were other administration priorities in 1991.

Mr. ROGERS. The answer is no, right?

Mr. MCNARY. Well, not exactly. The project was put together before I got here and before we started talking about some of these things. I think that is vitally important. I don't know what it is called; it is some kind of adjustment for the authority to fund doubling that capacity, and getting everything on line is a priority with me. We will work on trying to expedite it.

Mr. ROGERS. Do I hear you saying you might request the committee for a reprogramming of funds for that purpose?

Mr. MCNARY. Yes, sir.

Mr. ROGERS. That is the word I was looking for. Can we look forward to hearing from you on that?

Mr. MCNARY. Yes.

AUTOMATED FINGERPRINT INDENTIFICATION SYSTEM

Mr. ROGERS. Closely related, I guess, in a certain sense, is the so-called AFIS, Automated Fingerprint Identification System. I understand the demonstration test was completed last year at the San Diego sector, as was the report on the repeat crossers that it was designed to measure. Can you describe the results and the test and whether or not it was successful?

Ms. MACRAE. The basic prototype test last year proved that, indeed, the technologies will work. We put a lot of extra effort into trying to see if it was feasible at all. I believe you were down there and saw it yourself?

Mr. ROGERS. No, I was not. I would like to at some point.

Ms. MACRAE. I thought Mr. Early was there. It is a very interesting process. We used approximately $1.3 million of the funds you provided for that test. We are using $2 million this year of funds that we have in the base appropriation to do a prototype in an operational setting. In other words, will it really work? You've got people in the field, ordinary training, not a special test at all. Will it really work? Can you do it fast enough? That is what we are testing this year. I think it looks quite promising.

Mr. **Rogers**. Would you tell us in a couple sentences how the test works and what it is intended to measure?

Ms. **MacRae**. It basically is intended to identify the person that you have in custody or that is crossing the border. It includes a fingerprint reader, a check against a national data base or a master data base of similar fingerprints to identify whether the person is in the data base, and whether the person is who he says he is in the data base. That's basically what its intent is.

The idea is to identify both criminal aliens who might be trying to cross the border or to identify people who have been crossing the border several times, perhaps with false names each time.

Mr. **Rogers**. And tell us what you are finding.

Ms. **MacRae**. We did a study last year of about 50,000 people that we apprehended; about 39,000 of those were distinct, different individuals. Of those 39,000, say 40,000 distinct individuals, 20 percent of them had crossed the border more than once. So, there is a 20-percent repeat crossing rate. Most of the time when they crossed the second time, they gave a false name. A couple of times they gave a false sex. [Laughter.]

Mr. **Rogers**. Have you devised a system to discover that? [Laughter.]

Ms. **MacRae**. Most of the time they give a correct nationality. The results showed that 7 percent of those repeat crossers were giving a different sex on the repeat times through—seven percent. Ninety-three percent gave the same sex each time. It makes you wonder.

OPERATIONAL FIELD TEST AT SAN CLEMENTE

Mr. **Rogers**. And what percent of them have outstanding warrants or charges against them?

Ms. **MacRae**. I don't know.

Mr. **Mueller**. We are just now setting up at the San Clemente checkpoint a system, as an operational field test, that will run different names against the California justice system data base. It has about six million criminals in its data base. That just went on line in the last week or so, and when we called out there they didn't have any information readily available as to whether we had any criminal hits on it. The idea would be that, as we get somebody at the traffic checkpoint at San Clemente, if they look like criminals, then we will do this automated fingerprint check and run it through the California justice system data base, and see if they are criminals. But it is just too early. We will know in probably the next month or so how effective it is.

Ms. **MacRae**. The initial test was basically to see if the equipment will work at all, and as an extra piece, how many repeat offenders we catch. That was the basic purpose last year. This year we are doing a more operational setting to see, in a limited area, if it will really work to find what we need to know, and criminal offenders are one of those.

AUTOMATED FINGERPRINT IDENTIFICATION SYSTEM

Mr. **Rogers**. So is the machine-read fingerprint system working in operations?

Ms. **MacRae**. Yes, it does that. It will read fingerprints.

Mr. **Mueller**. We have got one in place now at San Diego, and as I said, at the San Clemente traffic check. We are going to set up five more in the San Diego sector as the year progresses. So, this will be our live field test.

Mr. **Rogers**. How long does it take to read a fingerprint?

Mr. **Mueller**. If you go against the six million names, it takes something like an hour for the computers to sort through all of this.

Mr. **Rogers**. That is the California data base?

Mr. **Mueller**. Yes. There is a link-up that is called the Western Identification Network, and that is in eight states out West. If you do that entire search, then it runs in to more like an hour-and-a-half. California is the biggest of the data bases.

Mr. **Rogers**. So what you are saying to me is that as this thing goes into operation, you are going to have to use something other than a fingerprint to get an initial indication.

Mr. **Mueller**. An agent's experience. Someone will have to say this guy looks like a bad guy, and let's check him further. In the past if we submitted fingerprints to the FBI, we would wait a couple of weeks. Now we can hold them for an hour or so while we run this check against the California criminal justice system database to find out if we have a bad guy.

Mr. **Rogers**. So this time next year you will be able to give us a pretty good reading of whether or not this thing is effective and would be good to expand to other posts?

Mr. **Mueller**. Yes, sir.

ALIEN APPREHENSIONS

Mr. **Rogers**. I notice that alien apprehensions by the Border Patrol continued to go down through fiscal year 1989, since the IRCA came aboard and in the latter part of 1989 they went up.

Has that continued and why is that?

Mr. **McNary**. It is a combination of things. The information supplied to me indicates that we had more people on the border. So there was a relationship between actually apprehending people just because we were better prepared, which runs counter to the usual argument that we want to see apprehensions go down as a reflection of fewer people coming across.

We also have a problem, though, with increased fraudulent documents, people are able to get fraudulent documents, and therefore, feel as though their chances of getting a job in the country are better and they are willing to take a chance.

Mr. **Rogers**. Will the machine readable instruments pick up those fraudulent cards that enable people to cross the border illegally?

Ms. **MacRae**. They are certainly going to pick up some of them.

Mr. **Rogers**. Why would it not pick up all of them?

Ms. **MacRae**. It depends on what kind of card it is. If it has the right kind of numbers in the back and has a photo substitution on the front, it might not pick them up as a fraudulent document. It depends on how good the card is. There are some very good cards that are very difficult to pick up.

There are very few. The thing is that the agent looking at the card and putting it in the machine, is going to catch a lot of the cards that are bad. Their experience allows them to see that something is wrong.

Mr. ROGERS. Okay.

Mr. McNARY. Congressman, one other thing that may be is obvious, but I did not mention it, and that is the turmoil in Central America and the economy in Mexico. Some of those economic and political conditions have led to more people coming up and crossing the border.

DRUG SMUGGLING THROUGH PORTS-OF-ENTRY

Mr. ROGERS. Now, we learned last week, of a very major drug seizure in California of cocaine. I forgot the tonnage but it was a huge amount.

It was probably smuggled through a point-of-entry along the southern border, according to the law enforcement people who were involved in the seizure.

I mean we are talking tons, and tons, and tons, of cocaine. And I realize your agency's primary mission is not to seize drugs; you are to guard our borders for illegal aliens and the like, but incidental to that, of course, is this law enforcement function that you are finding yourself with, especially with the drug smuggling.

What kind of trends are we seeing with respect to points-of-entry the smuggling of dope?

Mr. McNARY. As you know, we have the El Paso Intelligence Center, EPIC, and they make an analysis and give us trends. According to EPIC, the bulk of the cocaine coming into the country is through the land ports-of-entry, predominantly concealed in compartments of trucks and automobiles.

Heroin is brought in almost totally through the land ports. This is done either by individuals carrying the drug concealed on their bodies or in their vehicles. Heroin is generally not hidden in vehicle compartments. Marijuana is being smuggled into the country, split roughly 50/50 between official ports-of-entry and areas between the ports. Drug shipments coming through the ports are concealed in vehicles or in cargo. Marijuana smuggled between the ports, is either driven or carried across the border to drop points from which shipping to the interior takes place.

Over the past several years, there has been an increase in acts of violence against Border Patrol agents; 124 in 1988 compared to 202 in 1989.

So, those are some of the statistics.

CROSS DESIGNATION AUTHORITY

Mr. ROGERS. Well, the Administration announced last week that Customs Agents will be given DEA cross designation authority, as Border Patrol Agents receive now.

And are your inspections agents receiving that designation, and if not, would it be worthwhile to do so?

Mr. **Weinig**. Not that I am aware of at this point. I would have to check it further. I am not aware of anything.

Mr. **Rogers**. Would that be worthwhile for them to get DEA cross designation?

Mr. **Weinig**. It might very well be worthwhile.

Mr. **Rogers**. Pardon me?

Mr. **Weinig**. It might very well be worthwhile.

WORKLOAD AT POINTS-OF-ENTRY

Mr. **Rogers**. Now, what about the workload at points-of-entry; are we coping successfully workload with the load; do you have enough people there?

Mr. **McNary**. Are you talking about land border?

Mr. **Rogers**. Yes, your land borders, please.

Mr. **Weinig**. In the 1991 budget request, we have asked for an additional 104 permanent positions for the land borders. We believe that by staffing up to our current authorized strength, and together with converting over some 104 temporary workers, we should have enough to handle the land border problems. At airports, of course, with the fee account, the problems are a little bit different.

Some of the airport authorities have indicated that they have problems now, and that we are not able to clear the passengers quickly enough. Currently, we have a reprogramming which would put another 300 positions out to our airports for the use of the fee account there.

We believe this will keep up with the increases in traffic and things that we are experiencing at the airports.

Mr. **McNary**. Congressman, on the land border, my view is that we are using bandaids. If you have been to San Diego, CA, and I am told that from Washington State and El Paso it is the same, we have long lines of cars waiting with delays.

And I think that can be corrected. It takes facilities and it takes more manpower, but a modest land border fee would provide that money and people who are waiting there for a half an hour, or sometimes longer, would gladly pay that fee to defer that expense.

I think that is something that should be looked at.

LAND BORDER CROSSING FEE

Mr. **Rogers**. What, a crossing fee?

Mr. **McNary**. Yes, sir, a vehicle fee.

Mr. **Rogers**. How much?

Mr. **McNary**. I do not know. It is big money. It seems to me it is logical and would solve that problem and maybe even spill over to help with some border control; a dollar is a $300 million yield. Fifty cents would be $150 million.

Mr. **Rogers**. Are you going to be proposing such a charge?

Mr. **McNary**. Well, I can respond to any questions. [Laughter.]

Mr. **Rogers**. Obviously you have to have authority from the Congress to do that, would you not?

You cannot do it administratively, can you?

Mr. **McNary**. No, sir.

SOVIET REFUGEES

Mr. **Rogers**. Now, let me switch gears to you. On the Soviet refugee problem in Moscow; can you tell us how that is moving?

Mr. **Cook**. My name is Bill Cook and I am the General Counsel at the Immigration Service. Since we moved to the Washington Processing Center, late last year, we have received about 165,000 applications, which because the applications are required of people 21 and over only, we estimate to reflect about 330,000 individuals.

During that same period, from August of 1989, through February, with six officers on site in Moscow, we have processed nearly 16,000 applications in Moscow, 16,000 persons, of which 41 percent or 6,400 were approved.

The balance of those were denied, but were offered parole pursuant to the Attorney General's parole authority offer of December 8th of 1988.

The month of February is the first full month on which we have statistics during which the so-called Lautenberg Amendment was in effect, and being applied.

During that month, we interviewed 3,150 individuals for refugee status in the United States. The overall approval rate again was about 41 percent. However, a large number of those people are Armenians. The approval rate for category individuals, people who would have been covered by the Lautenberg Amendment, which would be Soviet Jews, Evangelicals and Ukrainian Catholics, was 91 percent; 92 percent for Soviet Jews; and that was specifically 866 out of 944 applications.

Eighty-nine percent for Evangelicals and 100 percent for Ukrainian Catholics. I believe the Armenian approval rate was somewhere down around 5 percent.

With respect again to the Vienna pipeline, from October of this fiscal year, we have processed another 33,000 Soviets with an approval rate of 99 percent. So that is both pre- and post-Lautenberg Amendment status.

There are still remaining 2,174 applicants who are to be interviewed by INS and 1,035 individuals who are registered with the Agency in Rome, but have yet to file an application. We anticipate that we will have all of those people interviewed and processed by April first of this year.

There are currently about 14,500 people in Rome who have been approved for refugee status who are awaiting final travel authorization, which is done by the State Department and the voluntary agencies. So, those people are beyond INS processing; they have already been approved and are awaiting travel arrangements and transit to the United States.

COSTS ASSOCIATED WITH SOVIET REFUGEES

Mr. **Rogers**. How are you handling the costs associated with this?

Mr. **Cook**. We project the 1990 costs to be about $9.4 million and my understanding is that we are going to be looking to a request for money—it is not a reprogramming, it is a spending plan out of the Examinations Fee account.

My office has done a legal analysis and we feel it is an appropriate expenditure, since the money is being used for adjudication purposes.

Mr. PERRELLI. In that regard, Congressman Rogers, the Commissioner petitioned the Attorney General for advice as to how to proceed with the funding of this program. On the 14th of March, he did respond suggesting that we fund the program with carryover funds from the examinations fee account.

The Service is preparing a reprogramming request to the Department that will go to the Congress. There is the risk that OMB may turn down that request, but we do not see that we really have any choice and we must go on record as requesting the movement of the funds.

The rationale last year for the movement of funds for that purpose was that this was not an adjudicatory function. This particular program was not anticipated by Congress nor ourselves in that case, but the Service has to address the ongoing issue, it happened last year, it is going to happen this year, and it certainly is going to happen next year in 1991.

We will, more than likely, submit a budget amendment for 1991 to address the issue of the Soviet refugees.

Mr. SMITH. Will the gentleman yield?

Mr. ROGERS. Certainly.

Mr. SMITH. I just want to point out to you, Mr. Commissioner, I know you have not been on the job very long, that you need to get budget amendments to us as quick as possible. Do not wait for a reprogramming. It is more difficult to reprogram because sometimes you want to shift money from one appropriation account to another and we do not do that in reprogrammings.

It is important that you forward these shifts in funding before we mark up, if you possibly can.

Mr. MCNARY. Yes, sir.

Mr. ROGERS. Did I hear you say that you may not have authority to use the examinations fee?

Mr. PERRELLI. Well, I will defer to the General Counsel and the Department on that issue, but from my perspective, as the financial officer, I have yet to fund this program; which we have to. The precedent is that the Examinations Fee Account was established last year and that it could be used for that purpose.

The alternative would be a supplemental, which I just do not think is appropriate, not in the current climate.

Mike Roper, do you want to comment on that?

Mr. ROPER. My name is Mike Roper and I am the Department's Controller. I would say at this stage, just let the process work. We have not even sent the request to OMB yet. It would be premature to suggest that they are going to turn it down.

SUPPLEMENTAL APPROPRIATION ALTERNATIVE

Mr. ROGERS. My understanding is that the State Department has cleared a request with OMB for the supplemental for $70 million for this problem.

I just wondered maybe why?

Mr. **Perrelli**. I am sure that is the handle that they are putting it on.

Mr. **Rogers**. Yes, but why did you not also try submitting a request?

Mr. **Perrelli**. Well, that is a pretty good question.

Mr. **Rogers**. Perhaps you did not think that you needed to because you think you are certain of your position on the examinations fee, is that correct?

Mr. **Perrelli**. I still do not feel that supplementals are very viable in the current budget climate. We did propose three alternatives to the Attorney General. One was the use of the Immigration Emergency Fund, the second was the supplemental and the third was the use of the Examinations Fee account.

We have been given their advice, and we are going to pursue that course of action.

WEAKNESSES IN INTERNAL COST CONTROLS AND MANAGEMENT

Mr. **Rogers**. Okay.

Now, my final question, Mr. Commissioner: as you know, the INS has been the subject of criticism over the years, with respect to weaknesses in internal cost controls and management.

What problems have you identified and what steps have you proposed or implemented in response to those criticisms?

Mr. **McNary**. Well, I came in with a clear mandate from Congress, the President and the Attorney General to get this agency; its management and financial situation under control.

I think that in the short time, since the first of the year, that we have taken some measures to centralize the management and shortly we will have a reorganization chart to submit.

Some of the financial measures that have been undertaken are: a full-time Financial Management Information System (FMIS) project team has been appointed and dedicated solely to this financial task. Personnel services and benefits have been centralized under specific control of headquarters program managers. Financial decisions are now being made by headquarters considering service-wide priorities, objectives and needs. The Office of the Comptroller has been restructured to reinforce resource management and support the decision to centralize control over personnel salaries and benefits.

An automated system to track and follow-up all audit findings has been implemented. The Comptroller has been and will continue to conduct a monthly review of each finding and its status to ensure that critical findings are quickly resolved and that realistic priorities are maintained.

The field office funding system has been developed to improve INS's funds accounting and control mechanisms. We are determined, I am determined, that we are going to get control of the budget, personnel and procurement; and management is going to operate in a coordinated and cohesive manner.

Mr. **Rogers**. Well, Mr. McNary, welcome aboard and good luck.

Mr. **McNary**. Thank you, Congressman Rogers.

CANINE UNITS

Mr. Smith. Mr. Kolbe?

Mr. Kolbe. Mr. Chairman, thank you.

Let me begin by follow-ups on a few things that have already been mentioned by either the Chairman or my colleague, Mr. Rogers.

First of all, on the subject of the canine units, I would appreciate it if you might tell us about the doubling of the number of the canine units from 70 up to 140 that you referred to. If you might submit for the record, what kind of coverage that will give us on our border crossing points where we have high drug interdiction?

In other words, are we going to have 24-hour coverage with canine units at these points?

The Chairman was asking as to why we were not doing more in that area.

[The information follows:]

Border Patrol Canine Units

The Patrol currently has 71 canine units within the nationwide program. (A canine unit consists of one dog and one handler.) The 1991 budget enhancements would allow for an additional 79 dogs to be placed along the southern border bringing the level to an optimum 150 units. The additional 79 canines would provide for 24-hour canine coverage capability on all of the southern border checkpoints. However, this 24-hour canine coverage capability does not imply that the Patrol has 24-hour operations at all of the checkpoints. There are several factors which prevent 24-hour operations, such as weather conditions, peak traffic flows and shortages in officer staffing. The Patrol has also factored into the total number of canines required, the necessity to continue the highly successful school presentations which use the dogs as part of the Drug Demand Reduction education program.

IMMIGRATION REFORM AND CONTROL ACT

Mr. Kolbe. Going back to something that the Chairman talked about—the citations on the IRCA. Can you give us details on the number of citations that have been issued and the number of either civil or criminal charges that have been filed against employers?

Mr. Perrelli. Could we supply that for the record, because it is rather detailed?

Mr. Kolbe. Yes.

[The information follows:]

Employer Sanctions Citations

Initially, citations were required by statute. They were issued from June 1987, through May 1988. At that time, full enforcement of employer sanctions began and citations were replaced by optional warnings. During the period from June 1987, through May 1988, a total of 2,322 citations were issued.

Full enforcement of employer sanctions resulted in 1989 in the issuance of 2,108 warnings and 3,547 fines assessed against employers. The total value of the assessed fines was $13,172,639.

EMPLOYER SANCTIONS CITATIONS

Mr. Perrelli. Is there a follow-up question to that?

Mr. Kolbe. I would like to have that for the record.

The information I am seeking is some understanding as to whether or not the program has been at the citation level or whether we are moving against major violators of the program with criminal charges? I would like to know how many of those have been filed and whether or not any of those have yet been resolved through either settlement or in the courts?

Mr. **Perrelli**. Could I refer to Mr. Lempres for a minute?

Mr. **Kolbe**. Yes, sir.

Mr. **Lempres**. I am Mike Lempres, the Executive Commissioner of the Service.

We just, last Monday, in fact, Bill may know this better than I, there is a large case against a company identified as Peidmont Quilting Company that I believe has been settled.

There were criminal charges involved and the initial amount of the fine was set at a half a million dollars. I am not sure whether it has been finally settled.

Mr. **Cook**. It was settled on Thursday of last week and we settled for $225,000 in civil fines. It was the largest sanctions award that we have had to date.

In addition, several of the individuals pled guilty in the case and are awaiting sentencing on criminal charges. It is an example of a very successful investigation and prosecution. We hope to use that as a model for future cases in this fiscal year.

RESPONSE OF EMPLOYERS TO IRCA

Mr. **Kolbe**. What has been the general response of employers to the program? Is it your view that they generally want to comply but it is a matter of not knowing what the law is? Or is there a pattern of non-compliance which you see in certain areas of the country or certain industries?

Mr. **Lempres**. No, sir.

For the most part, employers have been very cooperative and seek to comply. There are some practical problems involved in the sense that fraudulent documents are so prevalent, but employers are, for the most part, willing to seek the documentation and to look at that documentation.

There is an issue as to how much responsibility they are willing to take to follow-up on making sure that documentation is, in fact, valid.

Mr. **Kolbe**. What responsibility do they have to follow-up? If I am a small business person and I look at the documentation and it appears okay to me because I do not have a criminal investigating expertise. What am I supposed to do?

Mr. **Lempres**. That is where it stands at this point, sir, that it is the responsibility of the employers, as you stated, at that level.

We, at our level, are looking to reduce the number of documents that an employer can rely upon for identification purposes. We are moving, for example, to get three documents that an alien with valid work authorization can provide to an employer.

As it stands now, there are dozens of documents that an employer can rely on.

EMPLOYMENT AUTHORIZATION DOCUMENTS

Mr. **Kolbe**. Can you tell me what those would be; what your plan is?

Mr. **Lempres**. Yes, it would be an EAD, an employment authorization document, which would be a tamper-proof card. We are in the process of putting those cars out across the country, although right now, they are only being issued in the Eastern Region as a test run. It would be what is known as the green card, and it would come out in the same, essentially a tamper-proof document that they could rely on.

Mr. **Kolbe**. That is not now a tamper-proof document, is it?

Ms. **MacRae**. Yes, it is tamper-proof.

Mr. **Kolbe**. Yes, but there are some green cards that are not tampered proof, is that correct?

Ms. **MacRae**. The very old ones, perhaps about a million of the total 8 million we have issued, are the very old green cards. These new ones are certainly tamper-proof.

Mr. **Kolbe**. But the new ones are not?

Ms. **MacRae**. The new ones, with enough money, you can tamper with anything. They are basically very high quality counterfeit-proof cards.

Mr. **Kolbe**. And the third document would be what?

Ms. **MacRae**. Those are just the two.

Mr. **Kolbe**. Just the two?

Ms. **MacRae**. Of course, for citizens, United States citizens, they will have whatever documents they have. These cards are for aliens.

Mr. **Lempres**. I am sorry, there is a third card that escaped my attention. Those two would cover over 90 percent of what we are talking about.

There is a third which is an exception and right now, I have forgotten.

Mr. **Kolbe**. Okay.

So I am an illegal alien and I go in to get a job and I say, yes, I am a U.S. citizen and I show a birth certificate.

Mr. **Lempres**. We do not currently issue documents for U.S. citizens in any way, so that you have identified a rather glaring problem.

ALIEN APPREHENSION

Mr. **Kolbe**. Well, in time some laws will be passed so that this problem will not exist.

Commissioner, can you tell me, what the number of apprehensions along the U.S./Mexico border have been of Mexican nationals and the pattern of those apprehensions?

There was some reference to this earlier and you referred to the number from Central America, but regarding IRCA, I am trying to get some understanding of the pattern. Have we seen an increase, a decrease or any demonstrable change as a result of the passage of IRCA?

Mr. **McNary**. Well, that is roughly 1.6 million apprehensions down to 800,000 apprehensions. It has almost been cut in half.

In 1986, there were 1,692,000 apprehensions. This is Mexican and other-than-Mexican. In 1989, there were 891,000.

Mr. **Kolbe**. And do you attribute that to the immigration law?

Mr. **McNary**. Yes.

EMPLOYER SANCTIONS

Mr. Kolbe. Since the immigration law mandated a certain amount of time which people had to have been in the United States to qualify, as times passes there will be more Mexican nationals who would not qualify under that and who may be in the same position as long as you have jobs in the United States.

Is it your view that gradually we will see that number go back up again? Or do you believe that the sanctions are going to keep the number down?

Mr. McNary. Well, I believe if we can make the sanctions effective we can keep the numbers down. I am concerned about the ease with which fraudulent documents can be tendered at the present time. If we can correct that, I believe that the sanctions will keep the apprehensions down and will keep illegal immigrants from crossing the border.

Not to belabor this, but I have found in the short time that I have been here, that there are deterrents and especially with the other-than-Mexicans, in south Texas a show of the ability to detain, was sufficient to turn away large numbers. We went from 100 a day down to 15 or 20 a day who were coming across the border.

It was a definite deterrent to see the tents that were put up—40 tents for detention—and to make it clear that if they came across the border, they would be detained. It would not just be border crashing.

I think that the fact that there are not jobs here has a deterrent effect. I mean these are by and large not criminal type people. If there is not a job and they are told that they will be detained, it has a deterrent effect.

With regard to the Mexicans, that is a different question and frequently we find that—as you have already discussed—that there is a lot of running back and forth across the border. However, we are concerned because the number of people who are going on into the interior and going to some of the cities is growing.

In my judgment, the two things that we have discussed, the fingerprint system and the detention capability, those are two things crucial to getting control of the border with regard to San Diego and El Paso and places where we have a complete lack of border control move with aliens running back and forth.

GENERAL ARREST AUTHORITY

Mr. Kolbe. Well, this is not the immigration subcommittee, but I still have some serious doubts about the viability of the program and whether or not we are really going to get a handle on that.

Changing the subject, to something else Mr. Rogers was talking about; cross-certification with DEA. There is a piece of legislation that has been introduced by the ranking republican on the immigration subcommittee, Mr. Smith, to give general arrest authority to INS, do you favor that?

Mr. McNary. Yes, sir.

Mr. Kolbe. You do?

Mr. McNary. Yes, in fact, having a background in law enforcement, I was surprised coming into this job that INS did not have that arrest authority.

Mr. **Kolbe.**

The reason that INS has not had that authority in the past, is that INS has been primarily in the business of apprehending illegal aliens.

It has not been in the business of law enforcement along the border; nor in the business of drug enforcement. That is a new area of responsibility.

What does this say about blurring the basic responsibilities of the agency?

Mr. **McNary.** Times change and the drug problem has always been with us but not in the degree and magnitude that it is now. When we seize $1.2 billion worth of drugs, just in the course of doing our duties, then clearly we are a principal in the drug fight, whether we like it or not.

Since we are a principal, I think that arrest authority for carrying contraband, certainly should go with the enforcement effort.

Mr. **Kolbe.** If your agents have general arrest authority, do you think that your mission is going to be fundamentally altered, or are you still going to be primarily an agency that is responsible for immigration along the border?

Mr. **McNary.** No. Clearly our charge is to control immigration along the border, and the drug factor is incidental to that.

Mr. **Kolbe.** But you do not see the general arrest authority changing fundamentally?

Mr. **McNary.** No, sir, not while I am there.

Mr. **Kolbe.** Well, I would be concerned about it as it shifts the general tone.

Clearly an agent that now has general arrest authority has a different outlook on the job.

I am not saying that in a negative way. I do not think I would be against it. But I am pointing out it is a question that needs to be thought about very carefully, because I do think that it does alter the character of your service in terms of your mission.

Mr. **McNary.** Well, that argument would apply in almost every area. I think that is where management of an agency comes in, and we can adjust our mission and handle the enforcement tools that go with it, and still stay on target.

Mr. **Rogers.** Will the gentleman yield?

Mr. **Kolbe.** Of course.

RESPONSIBILITIES OF INS AT BORDER

Mr. **Rogers.** At your major drug crossing points, is DEA active with you there, on trying to catch the drugs coming across?

Mr. **McNary.** No, we carry that responsibility. We have a station at the crossing point.

Mr. **Rogers.** Yes, does DEA assist you in any way in trying to stop the drugs at the check points?

Mr. **McNary.** No, if we make a seizure then we have to contact DEA to come in and make the arrest—which is, foolish.

Mr. **Kolbe.** I do not know if this is what you are getting at, but DEA does not stand duty at border crossings?

Mr. **McNary.** No, border responsibility is INS's.

Mr. **Rogers.** And Customs, and the seizure of illegal drugs?

Mr. **Kolbe**. If you have a major cash seizure and you are going to have an investigation, at that point, DEA comes in?

Mr. **McNary**. Yes.

Mr. **Rogers**. Thank you.

PHYSICAL BARRIERS AT SAN DIEGO

Mr. **Kolbe**. We had some discussion last year, and last summer I had an opportunity to be in San Diego to see the problem with physical barriers there.

I think it is safe to say that you had a public relations disaster with that issue, and yet, it is very clear when you see that four-mile field, wide-open with people racing across to the highway and becoming completely lost at that point.

We need to do something to try to control that crossing point.

You have got something in your budget with regard to cement barriers. I assume that has to do with providing some kind of cement barriers in this area. Are we going to go forward with that project? What is the plan?

Mr. **McNary**. The plan is to go forward with the bollards, which are like concrete border markers. They will be four feet apart and are designed to control traffic. Additional lighting and sensors are included in the budget. We hope to have it in place quickly.

Mr. **Kolbe**. Has there been any discussion with groups in the San Diego-Tijuana area about this, trying perhaps to lay the groundwork a little better than we did the last time on this?

Mr. **McNary**. On the ditch?

Mr. **Kolbe**. Yes. I think we had a public relations disaster with the ditch. [Laughter.]

What I am asking is are we trying to lay the groundwork in advance on this time so that we will not have the hue and cry from immigration rights or groups that might be very much opposed to this otherwise?

INTERNATIONAL BOUNDARY AND WATER COMMISSION

Mr. **McNary**. We've been working with the Boundary Commission.

Mr. **Lempres**. The International Boundary and Water Commission, IBWC, is in an international body. We have been talking with them. There have been some problems, they report, on both sides of the border. Areas of the border are not clearly marked, and there's minor incursion one way or another, largely inadvertent. They may be involved in placing border boundary markers along the area we're talking about which would also have the effect of stopping drive-throughs. We've been approaching them at that level.

Mr. **Kolbe**. The IBWC is involved in this project?

Mr. **Lempres**. We have been talking with them about the feasibility of the project, hoping to getting through to them with some input from their Mexican counterparts.

Mr. **Kolbe**. You're not suggesting that these things are border markers, are you?

Mr. **Lempres**. Among the functions that they serve is to mark the border.

Mr. **Kolbe**. Every four feet?

Mr. **Lempres**. It will be a well marked border.

Mr. **Kolbe**. It will be a well marked border, in one spot at least. Explain to me the reason why we're doing this with IBWC. This is a new one. I wish I had known about it, they were just here yesterday or the day before.

Mr. **McNary**. Well, for the reasons that you've been concerned about public relations.

Mr. **Kolbe**. That IBWC will be able to handle this because it's an international commission? What have been the results so far of the discussions?

Mr. **Lempres**. Tentatively they've been very supportive of moving ahead. There's not been any kind of formal decision made.

Mr. **Kolbe**. You have something in your budget this year for this project?

Mr. **Perrelli**. Yes.

Mr. **Kolbe**. IBWC does not.

Mr. **McNary**. I think it's going to come out of our budget.

Mr. **Kolbe**. Well, it'll be your budget and your money, but they will just be the sponsoring agency for it?

Mr. **McNary**. Well, it seems to me that we're talking about putting it on the border. That's our objective.

Mr. **Kolbe**. Right at the border?

Mr. **McNary**. Yes, correct. That's our objective right now. We'd be on the border and they would work with us and help with the public relations.

Mr. **Kolbe**. I think that might help some of the public relations ideas. I wish I'd known about this one when they appeared before us to ask what kind of effort they are making on this. Perhaps we'll take this up with Commissioner Gunaji.

CENSUS COUNT

A final area of questions, Mr. Chairman, on the Census.

I think in 1980 we had a fairly good working agreement between the Census Bureau and the INS. Both of these agencies come under our appropriations purview.

Can you tell me what kind of agreement you have this year and what your approach is going to be during the critical next three or four weeks of the Census count?

Mr. **McNary**. Our approach is to avoid high-profile, spectacular types of activities that would serve to intimidate anyone from cooperating with the Census takers. We have issued four pages of directives—specific instructions as to what to avoid and what to do. We are controlling the operations from the Central Office so that, in certain cases, if there's a survey of employer sanctions at a place of employment or a search warrant, it's cleared through the Central Office.

I think that we've done everything we can. The Census Bureau has made it clear that none of this information is available to INS or any other agencies; it's all confidential and can't be used against an alien.

We've done everything we can do short of violating our oath to enforce the law. I think that we are obligated to enforce the law.

Mr. **Kolbe**. Well, you are obligated to enforce the law, but I think we are also obligated to have an accurate Census count.

The television coverage this week of your sweeps at LA Airport are not very helpful in providing for an accurate Census count.

You and I know that the information the Census gathers can't be turned over to you. But you're talking about people who do not have that knowledge and are inherently suspicious for obvious reasons. I think we have to do more than just say we are going to be mindful of this. I think we have to make an extra effort to make sure we get an accurate count.

It seems to me that low-keying your operations for three or four weeks is not going to significantly damage the security of the United States.

I just don't believe, from what I have been able to see, that there has been the kind of cooperation between Census and INS in the 1990 Census that we had 10 years ago.

Mr. **McNary**. I don't agree, Congressman. I've spent much time up here on the Hill talking to Congressmen who are concerned about the Census from the States that are directly affected. We have had good meetings and have sent out directives and statements which were cleared by Congressmen Edwards and Sawyer.

We've been as responsive as we can. If there are aliens coming into an airport who are illegal aliens, I don't think you're saying to me that we shouldn't enforce the law.

PUBLICIZED SWEEPS

Mr. **Kolbe**. No. It's highly publicized sweeps that I'm talking about.

Mr. **McNary**. Well, this wasn't a sweep, and I don't think we're doing sweeps and raids as they were done prior to 1980. So with regard to that kind of activity, a moratorium in 1980 on sweeps and raids was a big difference in the conduct of INS techniques.

I'm told that after that moratorium in 1980, we really didn't go back full steam to that kind of law enforcement technique. So, now in 1990, when someone looks for a moratorium, it's a different ballgame.

Mr. **Kolbe**. You're saying you're using entirely different techniques that do not require the moratorium that was offered in 1980?

Mr. **McNary**. That's correct. I think IRCA and the employer sanctions made a difference in the techniques that are used by INS. It's a new enforcement technique that Congress provided to enforce laws that prohibit aliens from working in the country.

So, that's been the direction of the enforcement rather than wholesale sweeps and raids and rounding people up. Not to say that it hasn't happened on occasion. But, as a general law enforcement tactic, it hasn't been a part of the effort.

IMMIGRATION ISSUES IN WASHINGTON STATE

Mr. **Kolbe**. Thank you, Mr. Chairman.

Mr. **Smith**. Congressman Dicks, a member of the committee has a couple of questions to ask you.

Mr. **Dicks**. Thank you very much.

Mr. McNary, I have a couple of questions I want to ask, but I want to make an opening comment. That is, I represent the Tacoma, Washington area. And I just want to compliment you. Your people in the region who have come down there and helped us on some problems we had.

Richard Smith has been very helpful. We've had some problems with some illegal aliens who are involved in the tar Black tar heroin activities. And you really helped us get those people removed. And I just want you to know we appreciate it, and we appreciate the cooperation that Mr. Smith has given us.

DELAYS IN PROCESSING AT AIRPORTS

Just recently, on another matter, on immigration inspectors, Aviation Daily reported that there's been INS delays of up to four hours at Seattle-Tacoma Airport. Non-citizens have been detained aboard aircraft while U.S. citizens have been passed through. At times there have been as few as four inspectors to handle three or four 747s landing at the same time.

Seattle-Tacoma has been promised 13 new inspectors, but they have yet to receive them.

Can you tell us why this situation has occurred and whether—we understand that there is a reprogramming pending that may help resolve this matter.

Mr. McNary. Yes, sir. You've hit it on the target all the way down the line. It was approved yesterday. Those 13 inspectors will be added immediately.

Mr. Dicks. Well, we appreciate that. Because we have 18 out there, at least we have 18 now and then to get 13 more will bring us up to a higher level.

I just would also add too that this summer we are going to have the Goodwill Games in the Puget Sound area. We expect an enormous influx of people during the summer for about a 17-day period late in July and early August.

I guess they used to use part-time people or something. But anything you can do to help us in that respect, we would deeply appreciate it.

Mr. McNary. We are aware of that and we will.

DELAYS IN PROCESSING ALONG NORTHERN BORDER

Mr. Dicks. Good. Now, the other problem is, in my colleague, Al Swift's district. I know you've got problems on the southern border, but we've got some problems on the northern border at Blaine, Washington.

Can you tell us what the factors are? What is causing the delays in processing southbound Canada-U.S. border crossings at Bliame, Washington?

Mr. McNary. Well, to the best of my knowledge, they are the same problems we have in San Diego and El Paso and places where we don't have the facilities and inspectors to move large numbers of people through quickly.

Mr. Dicks. Do the Canadians have a similar problem or is it just us, do you know?

Mr. **Weinig**. My knowledge of it is limited, but the Canadians—and I don't know port by port—but the Canadians sporadically will run into the same sorts of problems that we do.

INSPECTIONS PROGRAM

Mr. **Dicks**. Well, anything you can help us on the border up there, we would appreciate.

One other question that comes to mind. As I look at your budget, in 1989 you had $110 million for inspectors. And then it went down to $105 million, but then, as I understand it, with the reprogramming, will come up to about $115 million.

Now as we look at 1991, is there going to be an adjustment in the 1991 budget so we can stay in that $115 million level?

Mr. **Perrelli**. Congressman, the Service will be submitting a budget proposal to make the adjustment. Those levels that you are reading from were really forecast 18 months ago.

Mr. **Dicks**. Yes. I'm not being critical. We were just wondering if that was going to happen.

Mr. **Perrelli**. There is not a mechanism in the budget process that allows an amendment where we can readjust those numbers to reflect the actual revenues that we intend to collect. That's the answer.

Mr. **Dicks**. So it will stay at $115 million. Okay.

Thank you very much, Mr. Chairman.

COMMERCIAL BUILDING AT THE BORDER

Mr. **Smith**. The city of San Diego extended their city limits so that they have a big commercial area right next to the border, apparently so that it will be easier for workers to go home at night.

Is that expansion causing any trouble for the INS? Have they built commercial buildings there next to the border?

Mr. **Williams**. Yes, sir. "Maquilladora" is the twin-plant concept. There has been heavy and light industry complexes built on both sides of the border. In some cases, right up to the border.

We are making adjustments to our enforcement of people crossing despite the fact that the building and heavy growth has occurred in that area.

Mr. **Smith**. What have you had to do then, man the border between the buildings?

Mr. **Williams**. Yes, sir. We have to patrol the border between the fence and the buildings. It's not all along the border. It's in bits and pieces along the border. Although all indications are that if you drive down there, there's more coming.

In support of what the Commissioner said about the bollards, we are optimistic that the placement of some of these barriers will prevent at least the drive-throughs, if not the illegal entries on foot.

Mr. **Smith**. Several years ago, we were down along the border at 2 o'clock in the morning and it seemed that people were coming through without any problems.

Is that still going on now, or have employer sanctions curtailed illegal entry?

Mr. **Williams**. I think the employers in that immediate area are complying with the law. It is the aliens destined to the agricultural and other interior forms of employment. They are not going to be employed right there along the border.

Mr. **Smith**. Well, Mr. Commissioner, I just wanted to mention to you something that should be obvious to you by now.

You are an action agency. You don't have the luxury of time. You don't have time to think about new ideas for very long, or things will roll right on by. We want to cooperate with you, if we can.

But, again, I want to say that whatever budget adjustments that you believe need to be made, you need to get to us before we up the bill or before it passes anyway. Don't depend on reprogrammings because we can't reprogram from one appropriation account to another, just within the appropriation.

Some of the things you are talking about in response to Mr. Rogers' questions would not be reprogrammable.

Any more questions?

Mr. **Rogers**. I don't; except, Mr. Chairman, our colleague, Bill Lowery had submitted some questions for the record in regard to the San Diego activities which he would like to have answered.

Mr. **Smith**. That's fine. The rest of the questions we will submit for the record.

[The following questions were submitted to be answered for the record.]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

Immigration and Naturalization Service

Russian Refugees

QUESTION: What actions is the Immigration and Naturalization Service (INS) taking to accommodate the surge in Russian refugees over the past several months?

ANSWER: INS has taken a number of steps to accommodate the processing requirements for Soviet refugees. As of the end of February 1990, the Washington Processing Center (WPC), the administrative support center for Moscow processing, has received approximately 165,000 registrations for refugee interviews during 1990. It is important to remember that, since only Soviets 21 years of age and older are required to fill out preliminary questionnaires, the actual number of registrants for interview could be 330,000 (assuming an average Soviet family consists of 2 adults and 2 children under the age of 21 years).

During this same time period, the INS office in Moscow, with six officers on site, has processed nearly 16,000 persons for refugee status in Moscow. Of this total, approximately 6,400 Soviets have been approved for refugee status. Those denied have been offered entry into the United States under the Public Interest Parole Program that was initiated by the Attorney General on December 8, 1988.

In February, the first full month during which INS Moscow processed Soviets under the Lautenberg Amendment, 3,150 individuals were interviewed for refugee status in the United States. Of that total, 944 were Soviet Jews, with 866 or 92 percent approved. Eight Ukrainian Catholics or Orthodox were processed and all were approved. Overall, 91 percent of all "category" cases were approved. The approval rate for all Soviets interviewed during February was 41 percent.

Vienna-Rome Pipeline. For the first two months of 1990, the INS district office in Rome had processed nearly 33,000 Soviets for refugee status with an approval rate of 99 percent. Soviets in the Vienna-Rome pipeline not yet interviewed by INS include: 2,174 applicants waiting for INS interview and 1,035 individuals registered with voluntary agencies in Rome but not yet presented to INS for interview. Rome anticipates that all Soviet interviews will be completed by April 1, 1990.

Approximately 14,500 approved Soviet refugee applicants are in Rome waiting to travel to the United States, but do not yet have U.S. sponsors or travel arrangements. These port interview processing activities are the responsibility of the Department of State and the involved voluntary agencies.

QUESTION: How do you plan to finance these additional costs?

ANSWER: As it is expected that Soviet refugee processing will continue at this level in 1991 and beyond, INS expects these costs to continue indefinitely. The Administration is currently reviewing funding options for this ongoing program.

QUESTION: What impact will this have on 1991?

ANSWER: We estimate that the continuing cost of Soviet Refugee processing will be approximately $6.0 million in 1991.

Immigration User Fee

QUESTION: The Committee is receiving complaints that, although there are sufficient funds in the Immigration User Fund, the INS is not providing additional inspectors at international airports to handle the growth in foreign passengers to the United States. Is this true, and if so, why?

ANSWER: Since the inception of the User Fee Account in December 1986, the INS has been able to double the number of air and sea inspectors from 557 to 1,173. Current law does not permit these Immigration User Fees to be directly applied to the specific location where they were collected in the form of new positions. The enabling legislation for the account, while specifically exempting air and sea passengers arriving from the contiguous territories, directed that User Fee funds be used to fund only operations at existing pre-inspection stations. Our largest and busiest pre-inspection stations are located in Canada and consequently serve only those passengers destined for the United States from contiguous territory. While these passengers pay no user fee, user fee money is expended to pay for the inspectional services they receive. In fact, U.S. airports service both user fee and user fee exempt arrivals.

During 1989, approximately 41 million air and sea passengers applied for entry into the United States. Of that number, 15 million arrived from contiguous territory. As these figures illustrate, more than a third of the air and seaport inspectional workload pays no user fee, yet must be inspected.

In addition to the mix of paying and nonpaying arrivals, some airports have experienced rapid and unexpected growth in both facilities and the number of foreign flights arriving.

QUESTION: The purpose of establishing this fund was to enable INS to handle fluctuations in the numbers of foreign travellers arriving through our airports and seaports. Is there an increase in foreign travel and are the airports justified in their complaints?

ANSWER: International travel has increased by six percent annually. Some airports have experienced more growth than others and will receive a greater degree of attention and resources to alleviate delays being experienced.

Examinations Fee Account

QUESTION: In 1989 you originally estimated collections into the Examinations Fee account of $76 million, but actually collected $140 million. Your estimates for fee collections in 1990 are reduced to $104 million. What is the reason for this decline and, based on your actual experience to date, have you revised your estimate?

ANSWER: The reason for this decline was the change in fee receipts from the Special Agricultural Workers (SAW) program. Our fee receipts estimated for 1990 and 1991 have been revised upward and are the basis for our resource planning in the Examinations User Fee.

QUESTION: Again, based on your latest experience, is your 1991 estimate of $107.8 million still valid?

ANSWER: No, this estimate has been revised based on revised workload estimates. We currently estimate that receipts in 1991 will be $177.8 million.

QUESTION: You propose a reduction in obligations in 1991 from $103 million to $90 million. What programs are slated for reductions?

ANSWER: Our estimates for 1991 are in the process of being revised upwards to the $178 million level. At this time we do not anticipate program reductions.

Immigration Emergency Fund

QUESTION: In 1990, $35 million was appropriated for the Immigration Emergency Fund which was established to cover costs associated with an immigration emergency. What is your definition of an emergency and could you provide some examples from past years which would have qualified?

ANSWER: An "immigration emergency" is a situation that is determined as such by the President and is so certified by the President to the Judiciary Committees of the Congress. The fund may only be utilized when the President makes this determination.

The primary factors to be considered by the President in evaluating the existence of an immigration emergency would be the knowledge that a substantial number of aliens who lack documents authorizing entry to the United States appear to be ready to embark or have already embarked for the United States; that the normal procedures of the Immigration and Nationality Act or the current resources of the INS would be inadequate to respond effectively to the influx of these aliens; and that the influx of these aliens could endanger the welfare of the United States or any community within the United States.

Under these criteria, a situation such as the one that existed during the Mariel Cuban boatlift crisis of 1979-1980 would be considered an emergency.

QUESTION: There were reports several months ago of a recurrence of the migration of Central American refugees into Texas. I understand that the problem has gone away, but if the refugees had continued arriving in large numbers, would that have qualified as an Immigration Emergency?

ANSWER: The recurrence of Central Americans migrating to South Texas has largely stopped. Once increased numbers of Central Americans were apprehended, INS promptly showed a very visible and strong detention/deterrence posture. Within a two-month time frame, the number of Central American's being apprehended had returned to normal. While INS may have had to request supplemental funding if increased enforcement efforts were required, the situation was never likely to constitute an "immigration emergency", as defined above.

QUESTION: There are some who believe that the impact on State and local services of the previous influx of Central Americans and Haitian refugees constitutes an immigration emergency. What is your position on this issue?

ANSWER: In addition to the Presidential determination and certification requirements, Section 113 of the Immigration Reform and Control Act (IRCA), the Immigration Emergency Fund provision, provides for "... reimbursement of States and localities in providing assistance as requested by the Attorney General in meeting an immigration emergency ..." Since the President has not determined that an immigration emergency exists and the Attorney General has thus not requested State or local assistance, use of immigration emergency funds is not permitted.

Program Reductions

QUESTION: In your 1991 request you propose two program reductions: First, a $22 million reduction associated with sequestration being applied twice, and second, your having to absorb $7.8 million for administratively uncontrollable overtime (AUO). What programs will you reduce in order to absorb these cuts?

ANSWER: All programs are affected by the reductions required within the structure of the overall budget. The absorption of the $7.8 million for AUO occurs only in those programs which have personnel receiving AUO.

QUESTION: In most cases, aren't the expenses you propose for reduction, the same expenses you reduced in 1990 in order to absorb sequestration and the cost of the 1990 pay raise? What impact will it have on your operations to reduce these expenses two years in a row?

ANSWER: These reductions are reflected in reductions in positions and workyears, as well as reductions shown in general expenses. The impact is somewhat mitigated by efforts directed at more efficient assignment and use of personnel and by the conservative use of supporting resources.

QUESTION: What was your request to OMB and what programs were you forced to eliminate in order to get down to the amounts now before the Congress? Are these program reductions a direct result of your not obtaining your full request of OMB?

ANSWER: OMB cut two major items from the INS budget request. The first was in the Border Patrol program, where OMB reduced the Service's initial request by 249 workyears and $18,041,000. Included in this reduction were $10,134,000 for reductions in workyears and $7,907,000 for equipment. In addition, a cut of $3,500,000 for journeyman officer training at the Artesia, New Mexico training facility was appealed.

Construction

QUESTION: You request $4.5 million to expand the Krome Detention Center. Is this expansion designed to handle criminal aliens?

ANSWER: Yes. The $4.5 million will allow for construction of a 300-bed lock-down men's dormitory. The construction of lock-down dormitory and segregating cells will allow the separation of aliens detained for criminal violations or drug apprehensions from non-criminal detainees, and provide greater security and safety for detainees as well as for Service employees and the general public.

QUESTION: Is there a shortage of detention space in Krome, Florida region?

ANSWER: Yes. The Service cannot detain more criminal aliens at Krome until the facility security rating is high enough to allow it to hold potentially violent felons awaiting deportation. The $4.5 million will upgrade Krome to meet standards mandated by the Congress for the detention of criminal aliens.

QUESTION: You also request an increase of $10 million to construct a traffic checkpoint at San Clemente, California. I understand that an additional $24 million will be required in 1992 to complete the project. Why did you not request full funding for this project?

ANSWER: The construction of a traffic checkpoint at San Clemente will be done in three phases. The expected completion date of the project, contingent upon availability of funding, is 1997. In view of this time period, we decided that funding should be requested in 1991 and 1992.

QUESTION: What would be the impact if this $10 million was denied or deferred?

ANSWER: Current traffic flow on the five-lane highway which feeds into the three-lane San Clemente traffic checkpoint is approximately 110,000 vehicles per day. During periods of heavy traffic, the current checkpoint frequently must be closed to alleviate traffic congestion and backup. An additional concern is the lack of adequate space at the current facility to accommodate officers and staff. Since 1971, the number of officers and staff has grown from 30 to 133.

If the proposed facility is delayed or denied, traffic congestion and backups will continue to occur and INS will have to continue its policy of closing the facility as necessary in order to accommodate traffic flow. San Clemente is the busiest Border Patrol traffic checkpoint and plays a key role in the INS's effort to apprehend illegal aliens and interdict drugs. Continued frequent closing of the checkpoint seriously restricts these efforts.

QUESTION: Please describe the need for two additional checkpoints in Texas, and two Border Patrol Stations in California and Texas?

ANSWER: The two traffic checkpoints are located in Texas, one in Alpine, Texas on Highway 118, the other near Marathon, Texas on Highway 67. They are needed to interdict drug and alien smuggling traffic along established smuggling routes. The Brownfield, California and Ysleta, Texas stations are losing their leases. They are both at the hub of active sectors on the southern border. It is critical that each station remain near its current geographical location, strategically located near alien and drug smuggling routes.

Program Increases

QUESTION: You request $16 million and 200 positions to enhance Border Patrol drug control activities. How will these funds be utilized?

ANSWER: Increases of 200 positions, 75 workyears and $6,727,000 are requested to enhance the commitment of personnel to the Patrol's drug interdiction efforts. The additional agents will be utilized in border control and traffic checkpoint coverage. An increase of $8,600,000 is requested for low-light television systems, night scopes, and portable ground sensors. The increased use of technology will enhance the productivity of operations.

QUESTION: Considering the almost $4 million cut for AUO/ sequestration against the Border Patrol, will you be able to train, equip and move these new agents?

ANSWER: Yes, we will be able to train, equip and move the new agents. However, for the 200 new positions, we have been funded only 75 workyears. This will necessarily limit the number of new employees we can hire.

QUESTION: You request $8.4 million to purchase 412 additional cars. According to page 66 of your request, you purchased 818 vehicles in 1990. Aren't these 412 vehicles already in your 1991 base and isn't this program growth duplicative?

ANSWER: The 412 vehicles requested in 1991 are not duplicative of vehicles purchased in 1990. These 412 vehicles will replace 412 high mileage vehicles (100,000+ miles each) that are currently in our fleet. Over one-half of INS' vehicle fleet of approximately 6,000 vehicles is eligible for replacement according to GSA vehicle replacement standards.

QUESTION: Isn't the $884 thousand requested for outreach associated with IRCA-related employment discrimination duplicative of amounts provided for that purpose to the Office of Special Counsel?

ANSWER: No. The $884,000 requested for the IRCA/Employer Sanctions anti-discrimination campaign will be used by INS to complement separate but related anti-discrimination efforts reflected in the Office of Special Counsel's budget.

Machine Readable Visas

QUESTION: What is the status of the machine-readable visa program begun in 1989?

ANSWER: INS and Customs are in the final stages of deploying upgraded document readers to support the new machine-readable visas. The final upgrade of all Customs's readers is scheduled for June. Upgraded readers will be able to read visas, passports and I-551's (new and old). A total of approximately 1,100 document readers capable of reading visas will be installed by the end of June in approximately 54 ports-of-entry. INS and Customs have installed new architecture and upgraded readers at the following sites: Detroit, San Diego, Nogales, Boston, Miami, San Francisco, San Juan, Dallas, Houston and JFK Airport. Los Angeles and Honolulu will become operational in May. Equipment has been ordered or is scheduled to be ordered this fiscal year for the following airports: Orlando, Seattle, Chicago, Dulles Airport, Atlanta, Charlotte, and Toronto. INS and Customs are in final stages of installation of a communications line between the Department of Justice and the United States Customs Service.

At the same time, INS and Customs have developed the Interagency Border Inspection System (IBIS), a single mainframe-based system for all primary lookout queries, building on Customs' Treasury Enforcement Communications System (TECS II). That system is being phased into ports-of-entry based on an agreed-to interagency plan for 1991 through 1992 -- contingent upon fund allocations. These agencies have established a joint systems group, based initially at the Customs Data Center, to develop and operate the single system. Treasury has established a timely connection between TECS II and National Crime Information Center (NCIC) data bases. Action is being taken to establish additional communication links between Justice, Treasury, State and other agencies involved with IBIS. Final testing is underway on a communications link between DOJ and Customs. The IBIS working group has developed a systems architecture that integrates the economics and versatility of small and large computers and the plan is modified on an as-needed basis. The IBIS working group and associated agency functional areas are in the initial stages of developing an Interagency Inspections Strategic Plan and feasibility study of an interagency border data center, to support law enforcement and case management missions of the U.S. Government at the border. INS, in coordination with the Department of State is deploying machine-document readers at the ports-of-entry most likely to receive machine-readable visas.

QUESTION: What is the current timetable for completion of this system?

ANSWER: By 1992, the Interagency Border Inspection System (IBIS) is expected to be in place at all international airports and pre-inspections sites. This system will then be able to support machine readability at all sites.

QUESTION: How much have you requested to continue implementation and does this fully fund your 1991 requirements?

ANSWER: Although no funding for IBIS has been requested in the Salaries and Expenses Appropriation, the Inspections User Fee contains $7,993,000 for continued implementation of IBIS initiatives in 1991 at air and sea ports-of-entry.

QUESTIONS SUBMITTED BY CONGRESSMAN EARLY

Machine Readable Visa

QUESTION: How much money will be spent by INS for the machine-readable visa program in 1990?

ANSWER: In 1990, INS will spend $10,030,000 for the Interagency Border Inspection System (IBIS) that includes deployment of machine-document readers at the ports-of-entry most likely to receive machine-readable visas from persons entering the country.

QUESTION: What is the current status of the machine-readable visa program at the ports-of-entry? Is it on schedule or is there slippage? If there are delays, what is the problem?

ANSWER: INS and Customs are in the final stages of re-deploying upgraded document readers to support the new machine-readable visas. The final upgrade of all Customs's readers (preparatory to the Interagency Border Inspection System (IBIS)) is scheduled for June. Upgraded readers will be able to read visas, passports and I-551's (new and old). A total complement of approximately 1,100 document readers capable of reading visas will be installed by the end of June in approximately 54 ports-of-entry. INS and Customs have installed the new IBIS architecture and upgraded readers at the following sites: Detroit, San Diego, Nogales, Boston, Miami, San Francisco, San Juan, Dallas, Houston and New York's JFK Airport. Los Angeles and Honolulu will become operational in April. Equipment has been ordered or is scheduled to be ordered this fiscal year for Orlando, Seattle, Chicago, Dulles, Atlanta, Charlotte, and Toronto. INS and Customs are in final stages of installation of a communications line between the Department of Justice and Customs.

INS and Customs have developed the IBIS, a single query, mainframe-based system for all primary lookout queries, building on Customs' Treasury Enforcement Communications System (TECS II). That system is being phased into ports-of-entry based on an interagency plan for 1989 through 1992 -- contingent upon fund allocations. These agencies have established a joint systems group, based initially at the Customs Data Center, to develop and operate the single system. Customs has established a timely connection between TECS II and National Crime Information Center (NCIC) data bases. Action is being taken to establish additional communication links between Justice, Treasury, State and other agencies involved with IBIS. Final testing is being conducted on a communications link between DOJ and Customs. The IBIS working group has developed a systems architecture that integrates the economics and versatility of small and large computers and the plan is modified on an as needed basis. The IBIS working group and associated agency functional areas are in the initial stages of developing an Interagency Inspections Strategic Plan and feasibility study of an interagency border data center, to support law enforcement and case management missions of the U.S. Government at the border. INS, in coordination with the Department of State, is deploying machine-document readers at the ports-of-entry most likely to receive machine-readable visas.

The IBIS/machine-readable visa program at ports-of-entry is on schedule.

QUESTION: How many ports-of-entry now have a machine-readable program? Where are these ports-of-entry located?

ANSWER: A total complement of approximately 1,100 document readers capable of reading visas will be installed by the end of June 1990 in the following 54 ports-of-entry.

Detroit, MI
San Francisco, CA
San Juan, P.R.
Los Angeles, CA
Nogales, AZ
Atlanta, GA
Philadelphia, PA
Bangor, ME
Dulles, VA
Toronto, Canada
Vancouver, Canada
Anchorage, AK
Freeport, ME
Portland, OR
Kansas City, MO
Milwaukee, WI
St. Thomas, V.I.
Oakbrook, IL
San Diego, CA
Boston, MA
Houston, TX
Chicago, IL
Laredo, TX
Seattle, WA
Baltimore, MD
Denver, CO
Agana, GU
Montreal, Canada
Winnipeg, Canada
Bermuda
New Orleans, LA
Cleveland, OH
Pittsburgh, PA
Tucson, AZ
Duluth, MN
Union, NJ
Miami, FL
JFK Airport, NY
Dallas, TX
Honolulu, HI
Calexico, CA
Newark, NY
Minneapolis, MN
Charleston, SC
Shannon, Ireland
Edmonton, Canada
Calgary, Canada
Nassau, Bahamas
St. Louis, MO
Ft. Lauderdale, FL
San Antonio, TX
Vermont
Glynco, GA
Beehive/Salt Lake, UT

INS and Customs have installed the new IBIS architecture and upgraded readers at the following sites: Detroit, San Diego, Nogales, Boston, Miami, San Francisco, San Juan, Dallas, Houston and New York's JFK airport. Los Angeles and Honolulu will become operational by May 1990.

QUESTION: How many ports-of-entry don't have a machine-readable visa program?

ANSWER: Approximately 250 ports-of-entry do not have a machine-readable visa program.

QUESTION: Are all ports-of-entry scheduled to implement a machine-readable visa program in the near future?

ANSWER: The IBIS system is being phased into ports-of-entry based on an agreed-to interagency plan for 1989 through 1992 -- contingent upon fund allocations. By 1992, the system is expected to be in place and will be able to support machine readability at all international airports and pre-inspection sites. Due to the technology for land and sea ports-of-entry still being in the developmental stage, we cannot project a definitive date as to when all land and sea ports-of-entry will have machine-readable visa capabilities.

QUESTION: **What is the timetable for implementing machine-readable visas at all ports-of-entry?**

ANSWER: By 1992, the IBIS system is expected to be in place and able to support machine readability at all international airports and pre-inspection sites. Because the technology for land and sea ports-of-entry is still in the developmental stage, we cannot project a definitive date as to when all land and sea ports-of-entry will have machine-readable visa capabilities.

QUESTION: **Have you made any changes in program plans and implementation schedules?**

ANSWER: The program plans and implementation schedule have been modified on an as-needed basis. These modifications are due to factors such as funding and timetables for communications installations, construction, etc.

QUESTION: **What is included in the request for machine-readable visas? How will these funds be used in 1991?**

ANSWER: Although no funding for IBIS has been requested in the Salaries and Expenses Appropriation, the Inspections User Fee contains $7,993,000 for continued implementation of IBIS initiatives in 1991 at air and sea ports-of-entry.

QUESTION: **Could the machine readable project be accelerated with additional funds?**

ANSWER: Yes, like most programs, additional resources would accelerate implementation.

QUESTION: **What was in INS's request to OMB for machine-readable visas? How does this differ with the President's budget request?**

ANSWER: The Salaries and Expenses Appropriation request did not contain funding for machine-readable visas; however, the Inspections User Fee did contain $7,993,000 for continued implementation of IBIS initiative in 1991. This is also the case with the President's budget request.

QUESTION: **Have you encountered any difficulties in coordinating this project with the Department of State and Customs? Could you provide some specific examples of how INS, Customs, and the Department of State have coordinated their efforts in implementing machine-readable visas?**

ANSWER: We have not experienced any difficulties in coordinating this project with the Department of State and Customs.

INS and Customs have developed the IBIS, a single query mainframe-based system for all primary lookout queries, building on Customs' Treasury Enforcement Communications System (TECS II). That system is being phased into ports-of-entry based on an agreed upon interagency plan for 1989 through 1992 -- contingent upon fund allocations. These agencies have established a joint systems group, based initially at the Customs Data Center, to develop and operate the single system. Customs has established a timely connection between TECS II and NCIC data bases. Action is being taken to establish additional communication links between Justice, Treasury, State and other agencies involved with IBIS. Final testing is underway on a communications link between DOJ and Customs. The IBIS working group has developed a systems architecture that appropriately integrates the economics and versatility of small and large computers and the plan is modified on an as-needed basis. The IBIS working group and associated agency functional areas are in the initial stages of developing an Interagency Inspections Strategic Plan and feasibility study of an interagency border data center, to support law enforcement and case management missions of the U.S. Government at the border. INS, in coordination with the Department of State, is deploying machine document readers at the ports-of-entry most likely to receive machine-readable visas.

Currently, two INS employees are working at the Customs data center in Newington, and the three agencies participate in bi-weekly meetings, as well as the IBIS Steering Committee.

QUESTION: Are there any technological problems which have arisen which may delay the implementation of the machine-readable program?

ANSWER: We do not anticipate any technological problems which will delay the implementation of the machine-readable visa program.

QUESTION: Has INS determined the total cost of full implementation of the machine-readable program?

ANSWER: INS cannot determine the total cost of full implementation of the IBIS and, therefore, the machine-readable program, until the development cycle for land and sea ports-of-entry has been completed.

Other Questions

QUESTION: Are there overnight detention facilities for illegal female entries in all Border Patrol Sectors? It is my understanding that there wasn't one in the El Paso Sector. Has this situation changed? (El Paso Sector - all of New Mexico and the Western part of Texas).

ANSWER: In those Border Patrol Sectors where there are no INS Service Processing Centers available, the sector must make use of non-Service detention space through liaison with the local sheriff. If the local jail has space for female detainees, it is usually given to the Border Patrol provided it is readily available. Local county authorities have priority use over INS detainees.

The situation in El Paso has not changed. Availability of space is negotiated on a day-to-day basis with local authorities.

QUESTION: If illegal entries (both female and male) are not held overnight, what is the process? On average, how long are they detained?

ANSWER: Those aliens not held overnight are processed by the Border Patrol and placed on an Order of Recognizance (after the issuance of an Order to Show Cause) for a hearing to be set at a later date.

Aliens are detained at a Sector office until such time as all the proper paperwork has been completed. The length of time depends upon availability of staffing and number of aliens to be processed.

QUESTION: What is done with the information collected on the forms at the ports-of-entry by the Border Patrol/INS officers? (The form is the I-213 form; it requests name, address, date of birth, country of origin, etc.)

Is this information sent to Washington or somewhere else to be entered in a computer file?

At the present time there is no way to verify the information on these forms, is there? So we are relying on these illegal entries to provide us with correct information?

ANSWER: The bulk of the information is retained, consolidated and analyzed at the Sector level, and used for reporting on workload and apprehension trends. In cases where aliens do not agree to leave the country, data is entered into our system for tracking the cases of deportable aliens. On the bulk of the I-213 forms there is no easy way to verify the information provided by the aliens. Therefore, we are relying on the aliens to provide correct information.

QUESTION: The committee directed the Border Patrol to conduct a test of an Automated Fingerprint Identification System (AFIS) in the San Diego Sector to give us an indication of recidivism rate of illegal entries, among other things. What were the recidivism statistics as a result of this study. (This study was conducted during a 45-day period in June to August of 1989.) Please provide a summary of the recidivism study for the record.

ANSWER: INS contracted with the California Department of Justice to conduct the recidivism study and develop an action plan for implementation of an AFIS system. The prototype technique employed was to collect self-reported descriptive data (i.e., name, sex, nationality, age) and Border Patrol-reported apprehension data (i.e., date, time, station) for each of approximately 50,000 consecutive apprehensions within the San Diego Sector, while also collecting fingerprint impressions from which positive identification of the persons apprehended could be established.

Two kinds of analyses were performed. The first used the apprehension as the unit of count; it is designed to answer questions of the form, "Of all apprehensions in the Sector, what proportion involve subjects who are under age thirty, are a particular nationality, or female, etc.?" The second kind of analyses used the individual person as the unit of count; it is designed to answer the questions of the form, "Of all the persons apprehended in the Sector, how many of them are apprehended a second time within two days, or use different names on subsequent apprehensions, or cross at a different place the second time?".

The test met the requirements set forth by Congress with the following results:

. The main finding of the report was the 21 percent minimum rate of recidivism during the study, verifying the long-felt need for alternative approaches in reducing the repeated crossing attempts.

. The use of AFIS technology may be possible in the environment of Border Patrol operations.

. The study has shown that an AFIS system may be developed at a reasonable cost, utilizing new methods of on-line matching for identifying alien criminals in a relatively short time period.

. The steps toward AFIS implementation have been defined.

. The analysis of the 45-day study provides empirical data on the recidivism problem and furthers research on the characteristics of persons who illegally cross the border in the San Diego Sector.

. The total number of apprehensions which met the data quality edits of the second portion of the analysis was 52,697. The total number of different persons identified was 39,579. Thus the average apprehensions per subject measured in this 45-day period was 1.3, though some subjects crossed many more times than that.

. The study was able to provide data on the frequency of recidivism, indicating that of the 39,579 different persons who were apprehended, 31,266 were apprehended only once (79 percent), 5,616 were apprehended twice (14 percent) 1,618 apprehended three times (4 percent), up to 13 apprehended 6 times (.03 percent).

. The study was able to provide data on four descriptors of self-reported data recorded on the 8,313 subjects apprehended more than once. The percentages reflect the number of times that the descriptors were recorded the same on subsequent apprehensions as on the first apprehension. The accuracy of names provided was 18 percent, sex 93 percent, nationality 98 percent and date-of-birth 94 percent.

QUESTION: The FBI is moving towards an automated fingerprint identification system, and many State and local law enforcement officers already use automated fingerprinting ID systems. I can foresee a need for INS to utilize this technology, too. What plans does INS have to utilize automated fingerprint ID in the near future?

ANSWER: We are proceeding, through the INS systems development cycle, to employ AFIS as a support "tool" for INS enforcement and service functions. In 1989, a preliminary investigation of the capability was completed with demonstration of equipment/system in San Diego Border Patrol operations.

Presently, we are conducting the feasibility and cost benefits analysis and taking action toward establishment of an Initial Operations Capability (IOC) in the San Diego area. The IOC will be accomplished through services of the Western Identification Network (WIN), a consortium of states sharing criminal AFIS data bases. By joining WIN, the Border Patrol and other INS programs in San Diego will have the capability to perform 200 potential criminal alien searches a day, by 1990 year end.

Based on the demonstration of AFIS technology and study of the recidivism phenomenon, the INS plans to expand the AFIS capability to six localities in Southern California during 1990 for further operational testing.

By November of this year, requirements analysis and IOC evaluation will have progressed to the state where substantiated recommendations can be made regarding national development.

QUESTION: Aren't you now placing fingerprints on the permanent resident card?

ANSWER: Yes, we currently capture a fingerprint image on the Legal Permanent Resident Card. The print cannot be used in the AFIS systems we are currently working with in Southern California. However, our AFIS study may show we can use this print in an INS-designed AFIS.

QUESTION: Provide for the record the names of State and local police agencies which now utilize automated fingerprint ID systems.

ANSWER: State AFIS systems:

Alaska Department of Public Safety
California Department of Justice
Georgia Bureau of Investigation
Illinois Department of State Police
Massachusetts State Police
Michigan Department of State Police
Virginia State Police/Dept. of Crim. Just. Svcs.
Washington State Patrol
Pennsylvania State Police (Contract Awarded)
Colorado Bureau of Investigations
Florida Department of Law Enforcement
Indiana State Police
Minnesota Bureau of Criminal Apprehension
New Mexico State Police
Tennessee State Bureau of Identification
Kentucky State Police (Semi-Operational)
North Carolina State Bureau of Invest. (Semi-Oper.)
Louisiana Dept. of Public Safety and Corr. (Semi-Oper.)
Iowa Dept. of Public Safety (Contract Awarded)
Delaware State Police (Contract Awarded)

QUESTIONS SUBMITTED BY CONGRESSMAN DWYER

Airport Inspection Delays

QUESTION: Commissioner Gene McNary, as you know, the $5 INS User Fee for passenger processing was designed to ensure that the travelling public, who are the ones paying for INS passenger processing, are the beneficiaries of the program. However, I am aware of frequent delays at this country's larger airports -- delays well in excess of an hour despite the fact that over $103 million is dedicated to this account in 1990; moreover, in 1991 additional collections of fees resulting from increased foreign travel are anticipated to be $110 million. What can you tell us about these delays and shortage of inspection agents?

ANSWER: According to Department of Transportation and Air Transport Association predictions, international air travel was expected to increase this year by 6 percent to 7 percent. In addition, several of the larger U.S. airports were expecting newly-constructed facilities to become operational during the fiscal year. The four regional offices forwarded their requests for additional positions based on these factors. The increases in traffic coupled with serious peaking problems have resulted in additional delays at some airports.

QUESTION: I understand there is a reprogramming that has been approved by OMB that we might be seeing shortly that would address this problem. Is this true? And, if so, when might this committee receive it?

ANSWER: The Office of Management and Budget approved the reprogramming on March 20, 1990. The notification was submitted to Congress on March 22, 1990. The Committees on Appropriations notified the Department that they had no objection to the proposal several days later.

QUESTION: How long did it take OMB to approve this reprogramming once INS sent it to them? Please be specific. And since this is supposed to be a dedicated user fee account solely for processing the travelling public, who in fact pay the fee, why is INS using these funds for other things -- such as pay raise, sequestration?

ANSWER: The reprogramming request was forwarded to OMB on February 27, 1990. It was approved on March 20, 1990. The account is used only for Immigration Inspections at airports and seaports, and related support services. Inspectors and support personnel must have their total compensation, including the cost of pay raises, paid from the Immigration Users Fee. Sequestration, where applied, is an automatic action in response to the law.

QUESTION: Most importantly, how exactly will this reprogramming address this problem?

ANSWER: The reprogramming adds 360 permanent positions and $11,973,000 to the Inspections program. The personnel involved in this expansion will be placed in locations which have experienced growth in traffic.

QUESTION: I understand there were 1,173 inspectors ($65 million) in 1989; 1,475 inspectors in 1990 ($75 million). Who decides how many and how these positions are allocated to particular airports? The INS Budget office? Recommendations from INS regional offices? Main Justice? or OMB?

ANSWER: The Inspections program at the Central Office in conjunction with the Regional Offices, decide the distribution of positions to the ports-of-entry.

QUESTION: What airports that the INS is aware of are experiencing inspection delays in excess of 45 minutes? Please provide in detail.

ANSWER:

PORT-OF-ENTRY	PROCESS TIME	REASON
Northern Region:		
Detroit, MI	60 minutes	facility design and staffing shortfalls
St. Louis, MO	60 minutes	facility design and staffing shortfalls
St. Paul, MN	1-2 hours	facility design and staffing shortfalls
Seattle, WA	1 hr. 40 mins.	facility design and staffing shortfalls
Portland, OR	50 mins.	staffing shortfalls

PORT-OF-ENTRY	PROCESS TIME	REASON
Eastern Region:		
Philadelphia, PA	60 minutes	staffing shortfalls
San Juan, PR	1 1/2 hours	staffing and overtime shortfalls
Newark, NJ	1 hr. 15 mins.	staffing shortfalls
New York City	1 hr. plus	staffing shortfalls
Southern Region:		
Houston, TX	1 hr. 15 mins.	staffing shortfalls
Miami, FL	60 minutes	staffing shortfalls
Orlando, FL	60 minutes	staffing shortfalls
Dallas/Ft. Worth	60 minutes	staffing shortfalls
Charlotte, NC	1-1 1/2 hrs.	staffing shortfalls
Western Region:		
San Francisco, CA	1 hr. 15 mins.	staffing shortfalls and peaking of arrivals
Honolulu, HI	60 minutes	staffing shortfalls
Los Angeles	1 hr. 15 mins.	staffing shortfalls

QUESTION: It is my understanding that you are contemplating the elimination of part-time employees (otherwise known as when actually employed -- WAE). It seems to me, however, given the seasonal nature of aviation travel that it would make more sense to have people available during peak travel months and peak travel hours. Part-time employees would give you more of this travel flexibility than full-time equivalent positions and also be more cost efficient.

If I am right in my assumption, then why would you even contemplate eliminating part-time positions?

ANSWER: The Service is not contemplating the elimination of seasonal employees, formerly termed WAEs. What INS has been mandated to do, under a Department of Justice audit conducted in 1989, is to eliminate as many temporary full-time positions as possible and to replace such positions with permanent full-time Immigration Inspectors.

The nature of international air travel, as well as the seasonal nature of some of our Northern land border ports-of-entry, will always necessitate the use of WAE employees.

QUESTION: What long term plans do you have to guarantee that passengers will be processed in a timely and efficient manner in 45 minutes or less?

ANSWER: Inspections goal has been to inspect arriving flights in one hour or less, as outlined in the Committee Report relating to the establishment of the user fee. If additional personnel resources become available, we could lower the inspection time at some airports but facility restrictions prevent us from lowering it to 45 minutes or lower at all airports. A number of other factors also impact on our ability to "guarantee" a specific inspection time. Weather, scheduling, country of origin, size of flight, and other variables all impact on our ability to inspect flights in a timely manner. If these factors were totally controllable, staffing and facilities could be provided which would guarantee a specific time.

Some Examples of Airport Inspection Delays

QUESTION: Is INS aware of that on March 5, 1990 Pan Am informed us that at JFK 151 people missed connecting flights and they had to pay for overnight lodging of 40 people. Only 17 of 30 INS inspection booths were staffed. Pan Am then had to absorb these costs and respond to complaints. Please comment. Is INS aware of these delays?

This past weekend, after the Port Authority had been told by INS that sufficient staff would be available, several carriers (KLM and Northwest) experienced delays in the International Arrivals Building (IAB) of over an hour. Of the 54 booths at IAB, I understand only 28 were staffed. For Pan Am, which operated their own terminal, only 16 of 30 booths were staffed. Please comment.

ANSWER: INS was made aware of the problems at JFK airport that day. We were informed that all available staff was on the primary line. However, during the peak period, a Pan Am flight arrived with 56 refugees on board followed immediately by an Aeroflot flight with 10 refugees. As the processing of passengers for refugee status expends considerably more time than regular traffic, the influx of these passengers during the peak period caused significant delays.

To alleviate the problem, the New York district is in the process of hiring 22 new inspectors who are expected to enter on duty in the near future. Additionally, Executive Commissioner Lempres met with the New York Port Authority and Kennedy Airport Airline Management Council on March 16 to discuss the shortage of staff and propose solutions. Mr. Lempres promised additional funding for the remainder of the quarter for overtime staffing.

Effect on Newark International Airport

QUESTION: These problems at JFK also impact Newark since inspectors are allocated out of the local offices. It appears that with totally inadequate staffing at JFK, local INS can't send more agents to Newark, where the problems aren't as severe. Are you aware of this problem?

ANSWER: Newark does not receive their staff from the New York District, but maintains its own district's employment. Newark's current shortages are due to an 80-percent increase in passenger traffic at that location in just two years. Newark has been allotted 12 additional user fee positions. With the additional funds provided by the reprogramming, the new officers should be on duty within 60 days.

QUESTIONS SUBMITTED BY CONGRESSMAN CARR

Immigration and Naturalization Service

QUESTION: As you know, there have been serious inspection staffing shortages in several international airports this year that have created delays and inconvenience to the travelling public, both foreign and domestic. What are you doing now to make sure that cities that have been experiencing traffic surges will have the necessary additional staffing in place and operating on the line during the heavy travel season?

ANSWER: INS intends to complete all hiring by year's end. To allow us to avoid the delays at the major airports we are making two adjustments to the current year plan; 1) for the near term, lessen the emphasis on exchanging temporary workyears for permanent until after the new hires are on-duty and fully trained, and 2) adjust the existing overtime reduction goals to reflect current workload increases. With the additional funds provided by a reprogramming, the Inspections program will receive 360 permanent positions and $11,973,000 which will be placed in locations that have experienced growth in traffic.

QUESTION: Since the inception of the visa waiver program, there has been a noticeable increase in the number of visitors to the U.S. from the eight participating countries. Is INS undertaking any efforts to compensate for this rise in traffic? Are additional inspectors to be assigned to airports? What funding is provided for these positions?

ANSWER: There has been an increase in the number of visitors from ~~all~~ countries, including the countries in the Visa Waiver Pilot Program. Whether the increase is the normal increase in traffic that we have seen through the years or attributable to the pilot program has not been determined. All traffic patterns are monitored closely for trends to assist in determining future year staffing needs. Funding for additional positions caused by any increase in traffic is provided as a component of the user fee.

QUESTION: In 1989, what percentage of the total detention days were paid for from the Inspections User countries (Canada, Mexico and the Caribbean)? What percentage was spent on persons who claimed political asylum?

ANSWER: The Detention and Deportation Program does not capture data regarding the detention cost of those individuals claiming political asylum. To gather this information, a case-by-case review would have to be conducted.

QUESTION: Is INS proposing any change to the delineation by which fees are collected? Are any efforts underway to collect fees on traffic from the exempt regions?

ANSWER: No proposals are being formulated at this time to increase the existing fee. However, the Service is currently reviewing proposals to change the exemption for arrivals from contiguous territory and the adjacent islands.

QUESTION: Would the imposition of collections have any effect on bilateral relationships such as the Free Trade Act agreement with Canada if exempt traffic is subject to fees?

ANSWER: No effect on bilateral relationships between the U.S. and either Mexico or Canada is expected. For example, Mexico currently charges an exit or airport departure tax for international air passengers departing from that country. Canada also charges a flat fee for any immigration-related processing at offices in that country. The Free Trade Agreement has not affected this.

QUESTION: A 1989 Justice Department audit criticized INS for the level of overtime spending in the Inspections program. What was the total amount spent on overtime at airports and seaports in 1988 and 1989? How much was spent on overtime at land border ports in the same two years? Has the amount spent per officer changed significantly during this period?

ANSWER: The amount has not changed significantly during this period:

	1988	1989
Air/Sea	$22.2 million	$23.3 million
Land	$11.0 million	$11.3 million

QUESTION SUBMITTED BY CONGRESSMAN ROGERS

Financial and Management Changes

QUESTION: Mr. McNary, as you know the INS has been the subject of criticism over the years with respect to weaknesses in internal cost controls and management. What problems have you identified and what steps have you proposed or implemented in response?

ANSWER: A plan is being developed and will be submitted to the Office of Management and Budget for the improvement of the Immigration and Naturalization Service (INS) budgeting and accounting systems. The major thrust of improvement is embodied in the transition to the Department of Justice Financial Management Information System (FMIS). It is through this effort that INS will unify and automate the budget and accounting process, strengthen financial controls, and realize improved financial management as a viable component of an improved overall INS management system. The following actions have been taken.

. A full-time FMIS project team has been appointed and dedicated solely to this major task.

. Personnel services and benefits (PS&B) have been centralized under the specific control of Headquarters Program Managers. Financial decisions on PS&B are now being made by Headquarters considering Servicewide priorities, objectives, and needs.

. The Office of the Comptroller has been restructured to reinforce resource management and support the decision to centralize control over PS&B.

. An automated system to track and follow-up all audit findings has been implemented. The Comptroller has been and will continue to conduct a monthly review of each finding and its status to ensure that critical findings are quickly resolved and that realistic priorities are maintained.

. A Field Office Funding System (FOFS) has been developed to improve INS funds accounting and control mechanisms. FOFS is currently undergoing an evaluation prior to Servicewide implementation.

Additionally, action has been taken to consolidate Regional Service Centers and Regional Processing Facilities within each region into a single processing facility under the direct control of Headquarters. Other restructuring to facilitate central control is also under development.

QUESTION: Do you anticipate proposing any other significant management changes within the Service?

ANSWER: Since becoming Commissioner, I have called for a complete review of the agency's existing management structure and the lines of authority between Headquarters, the four regions, and all other offices. Based on this review I anticipate proposing significant changes in INS to the Department of Justice (DOJ) and working to see that they are implemented. A wide variety of topics will be addressed, including the status of the Regional Offices and the centralization of some functions.

Land Border Inspections

QUESTION: You are requesting an additional 104 positions to replace temporary inspections personnel at ports-of-entry with permanent full-time personnel. Explain the reason for this increase.

ANSWER: This planned conversion does not require a net increase in available workyears, from which improved program performance would normally accrue. Instead, INS intends to improve the productivity of inspectors currently working in essentially full-time positions. The Service was criticized in last year's DOJ audit for its continued use of full-time temporary officers. The report concluded that the lack of formal training for these individuals detracted from the program's ability to determine admissibility. The INS' extensive 14-week training program was designed to allow the officer to accurately apply the Immigration and Nationality Act in determining admissibility. Untrained officers, even those working in positions that have in effect allowed them to operationally function as permanent employees, are not able to achieve the higher levels or enforcement productivity of the trained staff. INS believes that approximately a 20-percent improvement in productivity can be gained through formal training and continuation of post-academy on the job instruction.

QUESTION: You are also showing a reduction of 50 workyears in the Inspections program. Why are you reducing workyears at the same time you are increasing positions? Could the 50 workyears be utilized in all or part of 1991?

ANSWER: The planned reduction in total workyears (from 1,523 to 1,473) is expected to be offset by officer productivity gains expected with the availability of the 104 new permanent full-time positions and continued productivity gains resulting from automation.

QUESTION: Could the 50 workyears be utilized effectively in all or part of 1991?

ANSWER: The 50 workyears to be eliminated were not planned for use during 1991.

QUESTION: Several months ago, a twenty-ton drug seizure occurred in Los Angeles, California. It has been suspected that the drugs were transported into the United States through a southern border port-of-entry. What trends are the INS and other drug agencies seeing with respect to drug smuggling through land border ports-of-entry?

ANSWER: According to the El Paso Intelligence Center (EPIC) the land border ports-of-entry are a highly significant vulnerability point for drug smuggling. This assessment is based on an analysis of smuggling trends and patterns of activity.

The bulk of the cocaine coming into the country is across the land borders. It is predominantly concealed in compartments in trucks and automobiles.

Nearly all heroin is brought in through the land ports. This is done either by individuals who carry and conceal the substance on their bodies or in their vehicles. Heroin is generally not hidden in vehicle compartments.

Of the marijuana smuggled into the country, approximately 50 percent comes in through ports-of-entry, and 50 percent comes in between the ports. The drug shipments coming through the ports are concealed in vehicles and cargo. The marijuana smuggled between is either driven or carried across the border to drop points from which shipping to the interior takes place.

QUESTION: Your budget justifications state that inspections workload experienced at land border ports-of-entry has increased. Please provide summary data on these workload increases for the past four fiscal years?

ANSWER: Workload has increased significantly over the last four fiscal years, in both land and air/sea inspections. Specifically the data are as follows:

	1986	1987	1988	1989
Land Admitted	286,331,340	293,768,107	336,683,524	377,537,247
Land Inadm.	643,415	706,461	723,307	766,443
Air/Sea Admitted	41,662,507	45,232,315	48,351,522	51,163,204
Air/Sea Inadmissable	77,786	66,118	76,123	77,006

QUESTION: What impact has increased inspections had on the flow of traffic through ports-of-entry?

ANSWER: The ports-of-entry at Blaine, WA; Laredo, TX; San Ysidro, CA; El Paso, TX and Calexico, CA, have experienced dramatic increases in traffic volume over the past 5 years. In all of these locations, the saturation point has been reached. The physical facilities and road infrastructure have not kept pace with traffic volumes, nor have INS personnel enhancements. The situation in the Pacific Northwest, South Texas, and California is being addressed from all aspects of the problems. Border station facility improvement is ongoing and many local private sector groups are working on the infrastructure problem. While INS needs more inspectors at these locations, in several cases, even with every available lane being utilized, the flow of traffic is very slow with long backups during peak traffic periods. Thus, flow of traffic is impeded not only by a shortage of inspectors, but even more by facilities operating over their design capacity.

QUESTION: Have budget resources kept pace with the workload experienced?

ANSWER: No. In 1987, the Inspections program was authorized 1,108 positions and obligated $60,317,000. In 1989, the program was authorized 1,169 positions and obligated $67,987,000. Positions increased 6 percent while obligations grew by 13 percent. During the same period, the total number of land border inspections grew by 28 percent.

QUESTION: The current Inspections User Fee program is limited to fees collected at airports. What is your opinion of the advisability of a land border inspection fee to provide resources to address the workload problems?

ANSWER: A vehicle fee would generate sufficient funds to significantly enhance our staff and facilities at land border ports-of-entry. Additional revenues can also be generated by charging administrative fees for the issuance of documents and performance of many services provided at land border ports-of- entry (I-444 Mexican Border Visitors Permits, I-68 Northern Border Boat Permits, I-94 Arrival and Departure Records).

Information and Records Management A-76 Reductions

QUESTION: The 1991 request reflects program decreases of 55 positions, 186 workyears, and $1,959,000 for information and records management activities. How many of these positions are A-76 reductions? Of those, how many of these positions have been the subject of studies?

ANSWER: The reductions in resources in the information and records program is broken down as follows:

To meet with budgetary targets by the administration:

Positions	FTE	Budget Authority
55	-76	$1,316,000

Due to A-76 Reductions:

Positions	FTE	Budget Authority
-110	-110	$643,000

An A-76 study is in process on mail and file activities for the 110 positions and workyears reduced in the 1991 submission.

Dallas, Texas Consolidation

QUESTION: It is my understanding that the INS is undertaking a consolidation of its Dallas, Texas activities from three separate buildings to one leased for the same purposes by the General Services Administration, and that the first phase of this move began in September, 1989. What are the expenditures to date for this move, and have funds been reprogrammed for this purpose?

ANSWER: All funds for the actual physical move and the telephone installation, etc. were obligated in 1989 from the Administrative Services account. No operational funds were used. The move has been planned for two and one-half years and, thus, the funding for it was planned for 1989 prior to the start of the fiscal year. Those obligating documents covered both the 1989 and 1990 portions of the move since the same vendors were planned for both the move phases. The expenditures were $432,000 and cover the move that has taken place and the pending one. At present, the relocation of Service employees has been halted until a reprogramming notification is forwarded to and approved by Congress.

QUESTION: What are the total estimated costs of and reasons for this consolidation?

ANSWER: In addition to the $432,000 obligated in 1989 for the relocation of the three facilities, it is anticipated that approximately $5,000 in 1990 funds may be needed after the move is completed to move a few phone jacks or electrical outlets.

The GSA leases on the Southern Regional Office and Regional Processing Facility (RPF) in Dallas expire in 1989 with renewal options until 1991 and 1992, respectively. The relocation plans began two years ago with the submission of the required paperwork to GSA as a routine procedure in advance of a lease expiration. Since May 1987, the region has been housed in three separate buildings and the request to GSA specified that the new lease should be able to accommodate the employees housed in all three buildings, thereby promoting organizational efficiency.

San Clemente Traffic Checkpoint

QUESTION: You are requesting $10 million in no-year funds to undertake a relocation and expansion of the San Clemente Traffic Checkpoint. Please describe the project, including total cost, location, and facilities.

ANSWER: The site for the proposed facility is located within the boundaries of the Camp Pendelton Marine Corps base on Interstate 5, approximately three miles south of the present checkpoint in San Clemente, California.

The total cost of the project will be $32 million. The facilities will include the following structures and roadwork:

- 16 lanes for inspection of vehicles (approximately 3 miles of roadway)
- 4 secondary inspection areas with canopies to allow operation during inclement weather
- 16 inspection booths with canopies to allow for operation during inclement weather
- Border Patrol Station
- Covered walkway from inspection points to Station

QUESTION: What benefits are associated with this project?

ANSWER: Interstate 5 is a heavily traveled highway which is known to be a major route for alien and drug smugglers into Southern California. The present checkpoint frequently must be closed during heavy traffic periods because the traffic backups create safety problems. This situation is being exploited by alien and drug smugglers to avoid detection and apprehension.

The new facility would accommodate 100,000 vehicles per day and would allow a proper inspection of people and vehicles to be conducted safely and in a timely manner.

The Border Patrol Station at the current facility was built in 1971 for 30 agents and staff. The present staff level is 133 agents and is expected to increase to 225. The new Station will provide adequate space for these agents and administrative staff as well as holding rooms for males and females.

QUESTION: Since this checkpoint is located on a major Federal interstate highway, has the INS explored the possibility of financing the project with Federal highway funds?

ANSWER: INS requested the California Department of Transportation (CALTRANS) to use State Highway Trust Funds to accomplish the roadwork portion of this project. Although CALTRANS is willing to cooperate in the development of this facility, they are unable to provide funds for this project due to repairs of existing roads and bridges damaged by the recent earthquake.

Machine-Readable Visa System

QUESTION: Congress has provided funding over the last two years for development and implementation of a machine-readable visa system. Please summarize your accomplishments to date on this effort.

ANSWER: INS and Customs are in the final stages of redeploying upgraded document readers to support the new machine-readable visas. The final upgrade of all Customs's readers (preparatory to the Interagency Border Inspection System (IBIS)) is scheduled for June. Upgraded readers will be able to read visas, passports and I-551's (new and old). A total complement of approximately 1,100 document readers capable of reading visas will be installed by the end of June in approximately 54 ports-of-entry. INS and Customs have installed the new IBIS architecture and upgraded readers at the following sites: Detroit, San Diego, Nogales, Boston, Miami, San Francisco, San Juan, Dallas, Houston and New York's JFK airport. Los Angeles and Honolulu will become operational in May.

Equipment has been ordered or is scheduled to be ordered this fiscal year for Orlando, Seattle, Chicago, Dulles, Atlanta, Charlotte and Toronto. INS and Customs are in final stages of installation of a communications line between Department of Justice and Customs.

QUESTION: What is the status of your coordination with the State Department and Customs?

ANSWER: INS and Customs have developed the IBIS, a single query, mainframe-based system for all primary lookout queries, building on Customs' Treasury Enforcement Communications System (TECS II). That system is being phased into ports-of-entry based on an agreed to interagency plan for 1989 through 1992 -- contingent upon funds allocations. These agencies have established a joint systems group, based initially at the Customs Data Center, to develop and operate the single system. Customs has established a connection between TECS II and NCIC data bases. Action is being taken to establish additional communication links between Justice, Treasury, State and other agencies involved with IBIS. Final testing is being conducted of a communications link between DOJ and Customs. The IBIS working group has developed a systems architecture that integrates the economics and versatility of small and large computers and the plan is modified on an as needed basis. The IBIS working group and associated agency functional areas are in the initial stages of developing an Interagency Inspections Strategic Plan and feasibility study of an interagency border data center, to support law enforcement and case management missions of the U.S. Government at the border. INS, in coordination with the Department of State, is deploying machine-document readers at the ports-of-entry most likely to receive machine-readable visas.

QUESTION: Provide the total appropriations and obligations by INS in 1989 and 1990 (planned), as well as the specific sources of those funds.

ANSWER: The total annual allocations, obligations, and funding sources for IBIS funding in 1989 were as follows:

Allocations	Obligations Source	Funding Source
$6,720,000	$6,700,525	Inspection User Fee
$5,825,000	$5,006,900	Anti-Drug Abuse Act (S&E Appropriation)

The total annual allocations for IBIS funding in 1990 are:

Allocations	Funding Source
$5,030,000	Inspection User Fee
$5,000,000	S$E Appropriation

Funding supports telecommunications, commercial services, intra-agency services as well as capital investment.

QUESTION: I notice that no subsequent funding is proposed for 1991. Can you complete all planned development and installations with the resources provided to date?

ANSWER: All planned development and installations cannot be accomplished without additional funding from sources including the Inspection User Fee and the Salaries and Expenses appropriation.

QUESTION: How much could the INS effectively utilize in 1991 to continue this system?

ANSWER: Although no funding for IBIS has been requested in the Salaries and Expenses Appropriation, the Inspections User Fee contains $7,993,000 for continued implementation of IBIS initiatives in 1991 at air and sea ports-of-entry. Like most programs, additional resources for the Salaries and Expenses Appropriation would accelerate implementation of IBIS at land ports-of-entry.

Automated Fingerprint Identification System (AFIS)

QUESTION: Describe the prototype test conducted and the results. Was the test successful?

ANSWER: INS contracted with the California Department of Justice to conduct the recidivism study and develop an action plan for implementation of an AFIS system.
The prototype technique employed was to collect self-reported descriptive data (i.e., name, sex, nationality, age) and Border Patrol-reported apprehension data (i.e., date, time, station) for each of approximately 50,000 consecutive apprehensions within the San Diego Sector, while also collecting fingerprint impressions from which positive identification of the persons apprehended could be established.

Two kinds of analyses were performed. The first used the apprehension as the unit of count; it is designed to answer questions of the form, "Of all apprehensions in the Sector, what proportion involve subjects who are under age thirty, are a particular nationality, or female, etc.?" The second kind of analyses used the individual person as the unit of count; it is designed to answer the questions of the form, "Of all the persons apprehended in the Sector, how many of them are apprehended a second time within two days, or use different names on subsequent apprehensions, or cross at a different place the second time?"

The results met the requirements set forth by Congress with the following results:

- The main finding of the report was the 21 percent minimum rate of recidivism during the study, verifying the long-felt need for alternative approaches in reducing the repeated crossing attempts.

- The use of AFIS technology may be possible in the environment of Border Patrol operations.

- The study has shown that an AFIS system may be developed for a reasonable cost, utilizing new methods of on-line matching for identifying alien criminals in a relatively short time period.

- The steps toward AFIS implementation have been defined.

- The analysis of the 45-day study provides empirical data on the recidivism problem and furthers research on the characteristics of persons who illegally cross the border in the San Diego Sector.

Based on the successful demonstration of AFIS technology and study of the recidivism phenomenon, the INS plans to expand the AFIS capability to six localities in Southern California during 1990 for further operational testing.

QUESTION: Is the AFIS technology a feasible one for the mission of the Border Patrol?

ANSWER: The study constituted the preliminary investigation phase of systems design and development, and results were positive enough for the Border Patrol to participate in the Feasibility/Cost-Benefits/Requirements Analysis this fiscal year.

QUESTION: INS was directed to conduct a recidivism study in the eight stations of the San Diego Sector. What are the findings with respect to apprehension recidivism, or repeat crossings?

ANSWER: The total number of apprehensions which met the data quality edits of the second portion of the analysis was 52,697. The total number of different persons identified was 39,579. Thus the average apprehensions per subject measured in this 45-day period was 1.3, though some subjects crossed many more times than that.

QUESTION: Was the study able to measure the frequency of recidivism? If so, explain some of the results. For instance, what percentage of aliens came across more than once, or twice.

ANSWER: The study was able to provide data on the frequency of recidivism, indicating that of the 39,579 different persons who were apprehended, 31,266 were apprehended only once (79 percent), 5,616 were apprehended twice (14 percent), 1,618 apprehended three times (4 percent), up to 13 apprehended 6 times (.03 percent).

QUESTION: Did the study provide any information on the problem of false name or other identification reporting by apprehended aliens?

ANSWER: The study was able to provide data on four descriptions of self-reported data recorded on the 8,313 subjects apprehended more than once. The percentages reflect the number of times that the descriptions were recorded the same on subsequent apprehensions as on the first apprehension. The accuracy of names provided was 18 percent, sex 93 percent, nationality 98 percent and date-of-birth 94 percent.

QUESTION: The budget justifications state that alien apprehensions by the Border Patrol decreased through 1989 since the implementation of IRCA, but then increased during the last half of calendar 1989. Is that trend continuing in 1990 and why?

ANSWER: During October-December in FY 1989, the apprehensions totaled 155,631. The same period in FY 1990 totaled 209,064. The increase of 53,433 apprehensions can be attributed primarily to three reasons:

- The trainees of 1989 became working journeymen in 1990.
- The return to regular duty assignments of approximately 160 instructors.
- The political and economic uncertainties and turmoil which has existed in Central America and Mexico.

QUESTION: Can the AFIS be used by Border Patrol agents without unduly interrupting the other functions they are required to perform?

ANSWER: Fingerprinting criminal aliens only would not cause interruption to current functions, because criminal aliens are currently returned to the station for processing. Border Patrol would need additional staff to operate the AFIS equipment, as they could not assign an agent for the equipment operation function.

Major interruptions would occur if all aliens were to be entered in an AFIS since the majority of aliens are not currently fingerprinted and the processing is conducted away from the station under field conditions. Aliens cannot be fingerprinted in the field, as an officer's safety would be compromised. The San Diego Recidivism Study required an additional 25 agents to be assigned to the Sector to transport the aliens to a secure location in order to complete the study.

Soviet Refugee Processing

QUESTION: Can you update us on the processing of Soviet refugees in Moscow? What are the estimated costs associated with this and how do you plan to finance it for this year and 1991?

ANSWER: INS has taken a number of steps to accommodate the processing requirements for Soviet refugees. As of the end of February 1990, the Washington Processing Center (WPC), the administrative support center for Moscow processing, has received approximately 165,000 registrations for refugee interviews during 1990.

It is important to remember that since only Soviets 21 years of age and older are required to fill out preliminary questionnaires, the actual number of registrants for interview could be 330,000 (assuming an average Soviet family consists of 2 adults and 2 children under the age of 21 years).

During this same time period, INS Moscow, with six officers on site, has processed nearly 16,000 persons for refugee status in Moscow. Of this total, approximately 6,400 Soviets have been approved for refugee status. Those denied have been offered entry into the United States under the Public Interest Parole Program that was initiated by the Attorney General on December 8, 1988.

In February, the first full month during which INS Moscow processed Soviets under the Lautenberg Amendment, 3,150 individuals were interviewed for refugee status in the United States. Of that total, 944 were Soviet Jews, with 866 or 92 percent approved. Eight Ukrainian Catholics or Orthodox were processed and all were approved. Overall, 91 percent of all category cases were approved. The approval rate for all Soviets interviewed during February was 41 percent.

Vienna-Rome Pipeline. As of February 28, INS Rome has processed nearly 33,000 Soviets for refugee status during 1990, with an approval rate of 99 percent. Soviets in the Vienna-Rome pipeline not yet interviewed by INS include: 2,174 applicants waiting for INS interview and 1,035 individuals registered with voluntary agencies in Rome, but not yet presented to INS for interview. Rome anticipates that all Soviet interviews will be completed no later than April 1, 1990.

Approximately 14,500 approved Soviet refugee applicants are in Rome waiting to travel to the United States, but do not yet have U.S. sponsors or travel arrangements. These port interview processing activities are the responsibility of the Department of State and the involved voluntary agencies.

The Administration is currently reviewing funding proposals for this function in 1990.

As it is expected that Soviet refugee processing will continue at this level in 1991 and beyond, INS expects these costs to continue indefinitely. Alternatives are under consideration for funding these costs in 1991 and beyond.

QUESTIONS SUBMITTED BY CONGRESSMAN LOWERY

Immigration and Naturalization Service

QUESTION: The San Diego Sector of the Border Patrol has reported dramatic increases in the number of illegal alien apprehensions since mid-1989. On February 4, 1990, 2,823 illegal were apprehended in the San Diego sector alone. This was the second highest single day total since 1986. Almost 50 percent of all illegal entries occur in a 10-mile border area near San Diego. At the same time, legal crossings of individuals at the San Ysidro Port-of-Entry are also reaching record levels.

What portion of the planned 1991 increase in Border Patrol and INS inspectors will be devoted to the San Diego sector of the border?

Please provide for the record a breakdown of the planned increases in INS inspectors, Border Patrol agents and canine teams for the California/Mexico border.

ANSWER: With the increase of 75 funded workyears in 1991, the Border Patrol will bring on board an additional 96 agent trainees. This number of agents consists of two basic training classes of 48 agents per class. It is anticipated that one class will be assigned upon graduation from the academy to the San Diego Sector. The second class will also be assigned to the Southern land border. The areas experiencing high rates of illegal entries, including alien smuggling and drug smuggling will receive priority consideration for increased officer staffing.

The Patrol anticipates assigning one class of 48 additional agent trainees to the San Diego sector in 1991. In addition to the San Diego sector, the Patrol will be assigning one other class of 48 additional agent trainees to various sectors along the Southern border in 1991. It is possible that the El Centro Sector, which is responsible for part of the California/Mexico border, may receive additional agents from that class. However, the actual number to be assigned to any location will depend on the extent of illegal entries and smuggling activities occurring in that area as compared to other parts of the Southern border.

The canine program in the Western Region is in need of expansion to support both alien and narcotic detection operations. Each of the following sectors could incorporate additional canines into their operations at various stations within these sectors. The actual number of canines to be assigned to each location will depend on the anticipated volumes of smuggling activities as well as the availability of agents for training as canine handlers.

The following chart shows the current number of canines on duty and the requested increase in 1991.

Sector	On Duty	Requested Increase	Total
San Diego	7	18	25
El Centro	2	4	6
Yuma	5	5	10
Tucson	5	11	16
Livermore	0	2	2
Total	19	40	59

Of the 104 projected new land border Inspections positions, 45 (43 percent) will be assigned to the ports in California. All of these will be assigned to the San Diego District -- 37 to San Ysidro and 8 to Calexico.

QUESTION: INS is planning to assign additional Border Patrol agents to San Diego in 1990. How many new agents will be assigned to San Diego? How many agents are currently on duty and what is the authorized ceiling for this sector?

ANSWER: The San Diego Sector's current authorized ceiling for Border Patrol agents is 1,100. Of these positions, 770 are filled. In 1990, the Patrol has planned the placement of 144 agent trainees within the San Diego sector. This means that three of the four classes of new trainees to be brought on duty in 1990 will go to that sector.

QUESTION: Where will the passive barriers planned for the Southwest border be installed?

ANSWER: At the present time the only passive barriers planned for the Southwest border are in the San Diego Sector. Barriers currently under consideration are high intensity lighting for the Tijuana River levee area, replacement of existing fencing from the San Ysidro Port-of-Entry west to Dairymart Road and a vehicle barrier for the Otay Mesa area.

QUESTION: In view of the tremendous increases in passenger and pedestrian traffic at land ports-of-entry and the likelihood that budget pressures will limit personnel and facilities increases has INS looked at the concept of optional user fees to support commuter express lanes for regular border travelers at land ports of entry? Has INS discussed this issue with Customs? What are the pros and cons of this concept?

ANSWER: Yes, Inspections is involved in discussions with the U.S. Customs Service regarding Optional User Fees.

The concept of charging a fee for frequent crossers and commuters has merit and is not likely to create controversy if the fee provides a service (i.e., more rapid accessibility and clearance at the individual border crossing point).

Administration of fee collection could be a problem unless it is collected up front, perhaps once a year. The necessity of computer screening of border crossers will require the more rapid deployment of the IBIS system to land border ports. The border crosser user fee will work only if the fee provides for additional personnel and equipment to actually speed up the entry process for those utilizing the program. In some locations additional lanes will have to be added to allow for express lanes and as such may not be feasible at all locations.

QUESTION: Because of the increase in alien apprehensions, detention facilities in Southern California are well over capacity. Are there any plans to increase detention and deportation resources for this area in 1990 or 1991?

ANSWER: In 1990, a 400-bed Service Processing Center at Terminal Island, San Pedro, California will be operational. This facility will be used to detain criminal aliens. During 1991 a joint INS/Bureau of Prisons (BOP) contract facility providing 500 additional beds each for INS and BOP, to be situated in the Southwest corridor between California and Arizona, is planned and expected to be operational. These two new facilities will increase the availability of detention space by 900 beds for the Southern California area. In addition, the Asset Forfeiture Fund may be used to provide $10 million for additional detention space. A portion of these funds will be used to expand the El Centro Service Processing Center by 220 additional beds and increase the rated capacity to 564 detainees.

QUESTION: What action is INS taking to retain qualified INS and Border Patrol personnel in high cost areas? This is a particular problem in San Diego because Border Patrol agents are often lost to higher paying local law enforcement departments. Does INS award bonuses for second language proficiency? Do you support such incentives?

ANSWER: In the last quarter of 1988, a special salary rate for trainees entering on duty was established. The traditional grade 5 step 1 entry level pay was increased to grade 5 step 6. Grade 7 step 4 was authorized for individuals possessing a Bachelor's Degree in Criminal Justice or one year's experience as a sworn peace officer.

In addition to the higher entry level salaries, an acccelerated promotion system has been instituted for Border Patrol agents. Traditionally, trainees spent one complete year at the grade 5 level before being promoted to grade 7. Now, upon successful completion of the six and one-half month Probationary Examinations, they are promoted to grade 7. INS does not award bonuses for second language proficiency.

QUESTION: When will the new checkpoint at San Clemente, California be completed? Are there any plans to increase Border Patrol staff at this location as an interim measure?

ANSWER: Construction of the new checkpoint at San Clemente is dependant upon the availability of funding. Land for the checkpoint is being provided by the U.S. Marine Corps on a long-term, no-cost lease to the Service. However, due to the extensive freeway work required, the estimated cost for the new checkpoint is $34 million. In the 1991 budget submission, $10 million is requested to activate the project. The remaining funds will be requested in the 1992 budget. With full funding, the project can be completed by 1997.

Due to the limited space available in the existing station building, there are no plans to increase the current authorized staffing level of the San Clemente Station.

QUESTION: How is INS utilizing U.S. military and National Guard assistance to interdict illegal drugs on the Southwest border? Are there any exercises currently underway? Do you support this assistance?

ANSWER: INS and the Department of Defense have, on several occasions, conducted joint training operations along the Southwest land border of the United States. These operations are conducted to meet the training needs of both entities, while providing operational support in isolated areas not currently being addressed. The military provides INS/Border Patrol agents with training pertaining to small unit tactics, patrolling, map reading, land navigation, and other areas of expertise not currently possessed by Border Patrol agents.

The Border Patrol provides the military with training in tracking, counter-tracking, and other skills that are not possessed by the military personnel.

At the present time, there are no operations being conducted that involve the use of active-duty military personnel.

The Border Patrol is currently conducting an operation with the Texas Army National Guard along the Texas/Mexico border. This operation involves the temporary assignment of National Guard personnel to a Border Patrol sector to provide support in areas such as electronics equipment repair, helicopter and airplane mechanics, automobile mechanics, sensor repair, night vision equipment repair, and other fields of technical expertise in the National Guard inventory.

National Guard units have provided construction support on several occasions to the Border Patrol.

INS welcomes this assistance because it releases agents to concentrate on their primary duty of border control.

QUESTION: There have been reports of increased violence against Hispanics or aliens on the Southwest border, including two deaths. What is your evaluation of these reports?

ANSWER: Each report of violence involving Service employees and aliens is carefully investigated. We are particularly concerned about such increased violence insofar as these incidents often involve service employees.

WEDNESDAY, MARCH 21, 1990.

OFFICE OF THE INSPECTOR GENERAL

WITNESSES

ANTHONY C. MOSCATO, ACTING INSPECTOR GENERAL

ALLEN J. VANDER-STAAY, ASSISTANT INSPECTOR GENERAL FOR MANAGEMENT AND PLANNING

HARRY H. FLICKINGER, ASSISTANT ATTORNEY GENERAL FOR ADMINISTRATION

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

Mr. SMITH. Next we have the Inspector General for the Justice Department. Their FY 1991 request is for $28,382,000. The Acting Inspector General, Anthony Moscato will testify. Do you have a statement?

Mr. MOSCATO. I have a prepared statement. If I may, I would like to submit it for the record, and briefly summarize it.

Mr. SMITH. All right. Please proceed.

[The justifications follow:]

Department of Justice

Office of the Inspector General

Estimates for Fiscal Year 1991

Table of Contents

Item — Page Number

Organization Chart 1

Summary Statement 2

Justification of Proposed Changes in Appropriation Language 4

Crosswalk of 1990 Changes 5

Summary of Requirements 6

Justification of Program and Performance 7

Financial Analysis - Program Changes 17

Detail of Permanent Positions by Category 18

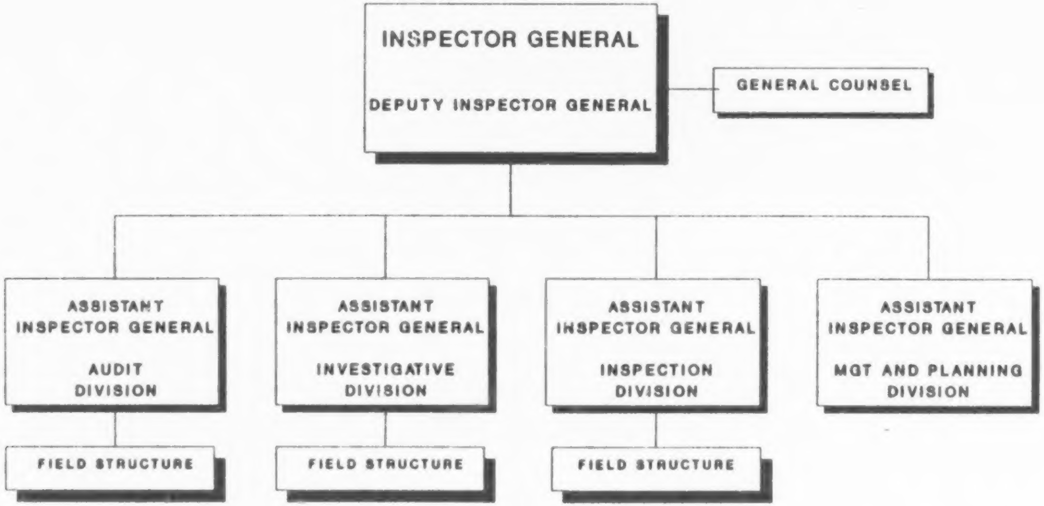
Schedule of Motor Vehicles 19

Summary of Change 20

Justification of Adjustments to Base 21

Summary of Requirements by Grade and Object Class 23

U.S. DEPARTMENT OF JUSTICE
Office of the Inspector General


INSPECTOR GENERAL
DEPUTY INSPECTOR GENERAL
GENERAL COUNSEL
ASSISTANT INSPECTOR GENERAL AUDIT DIVISION
ASSISTANT INSPECTOR GENERAL INVESTIGATIVE DIVISION
ASSISTANT INSPECTOR GENERAL INSPECTION DIVISION
ASSISTANT INSPECTOR GENERAL MGT AND PLANNING DIVISION
FIELD STRUCTURE
FIELD STRUCTURE
FIELD STRUCTURE

Approved: ______________________ Date: ________
Dick Thornburgh
Attorney General

(Pending signature of Attorney General)

Office of Inspector General

Salaries and expenses

Summary Statement

Fiscal Year 1991

The request for the Office of Inspector General (OIG) for 1991 totals $28,382,000, 380 permanent positions, and 350 workyears. This request represents an increase of $7,841,000, 84 positions, and 50 workyears over the enacted 1990 appropriation.

The primary mission of the OIG is to provide leadership and assist management in promoting economy, efficiency, and effectiveness within the Department; to enforce the fraud, waste, abuse and integrity laws and regulations of the U.S. within the Department; and to bring to justice those individuals or organizations involved in financial, professional or criminal misconduct relating to Department of Justice operations.

The OIG was created in the Department of Justice on April 14, 1989, as directed by Congress in the Inspector General Act Amendments of 1988, through the transfer of nine audit, investigation, and inspection entities from the bureaus in which they had been located (INS, BOP, USMS, DEA, and JMD) and their consolidation into a single new component of the Department.

The creation of "statutory" inspectors general began in the late-1970's. Over the last decade, Congress directed that such offices be established in all cabinet-level departments except Justice and Treasury. With the Inspector General Act Amendments of 1988, the Departments of Justice and Treasury were brought into the Inspector General community.

Given the increased emphasis on ethics in government, economy, and efficiency; the broad scope of the OIG's mission (the OIG is required to review the entire Department, including not only five major bureaus but also the Offices, Boards, and Divisions); and significant new reporting requirements it is essential that, like other Department components, the OIG make the most efficient and effective use of its resources. Having completed its transition period and examined all possible efficiencies, restructuring of functions and personnel, possible applications of technology, and reprioritization of workload, the OIG is requesting a program increase of 84 positions (50 for investigations, 20 for audit, and 14 for executive direction and control) and $6.2 million to meet critical investigation and audit requirements in 1991.

The major resource requests are summarized below:

Audit: The Departmental audit function was transferred from the Justice Management Division (JMD) to the OIG intact. With current resources, the Audit Division has been able to perform approximately 26 major internal audits and issue 300 external reports covering 929 contracts, grants, and other agreements. With the requested increase, an additional eight to ten major internal audits can be performed annually. While we are far from seeking the resources to cover the audit universe in total, we believe that an additional eight to ten major audits are essential and can have a very positive impact on the management of the Department.

Investigation: Selected investigation functions and associated resources were transferred to the OIG from only three bureaus: INS, USMS, and BOP. However, the OIG responsibility for investigations increased to cover 28 additional components of the Department of Justice, for a total of 31 Offices, Boards, Divisions, and Bureaus. In addition, statutory IG authorities expanded the investigative responsibilities within some of the bureaus which transferred resources. For example, the Bureau of Prisons integrity program formerly referred all of their criminal cases to the FBI, but those cases are now being handled by the OIG. Additional resources are needed to properly handle these authorities and responsibilities.

While approximately 38 percent of the base number of misconduct investigations falls under the auspices of the Department's Office of Professional Responsibility (OPR), the OIG continues to conduct these investigations consistent with a "Memorandum of Agreement Regarding Conduct of Investigations" between the two offices. In addition, the incoming investigative components brought with them many investigations for which they were responsible prior to the transfer. This caseload, plus the OPR cases and the expanded horizon of investigative responsibility means that additional investigative resources are required to properly handle them.

For 1991, approximately 1,876 investigations are projected to be opened representing a conservative estimated increase of 472 investigations over 1990. Including the 43 new agents requested for 1991, this caseload reflects a ratio of 1 investigator for every 16 new cases.

Executive direction and control: Although the Inspector General Act of 1978, as amended, provides for the appointment of an Inspector General and two Assistant Inspectors General, and sets the Inspector General's salary at Executive Level IV, no resources were provided to the Department for these positions. Additionally, resources for other senior management and administrative support activities were not provided. The resources necessary to manage and administer the newly created Office of the Inspector General were drawn from operational resources transferred to the OIG. The Inspector General will require the requested resources to manage the initial organization activities as well as the ongoing functions of the OIG. Moreover, the establishment of an in-house administrative capability is essential if the OIG is to maintain the statutorily mandated independence from the programs and operations of the rest of the Department.

Office of Inspector General

Salaries and expenses

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and expenses

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, [21,671,000] including not to exceed $10,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; and for the acquisition, lease, maintenance and operation of motor vehicles without regard to the general purchase price limitation.

$28,382,000

(Department of Justice Appropriations Act, 1990; additional authorizing legislation to be proposed.)

No substantive change proposed.

Office of Inspector General
Salaries and expenses
Crosswalk of 1990 Changes
(Dollars in thousands)

Activity/Program	1990 President's Budget Request			Congressional Appropriation Actions on 1990 Request			1990 Sequestration			Reprogramming			1990 Appropriation Anticipated		
	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.	Pos.	WY	Amt.
Audit, Investigations, and Inspections	290	289	$19,433	6	11	$1,240	...	...	-$132	...	...	...	296	300	$20,541

Congressional Action on Appropriations: The Congress funded an additional $2,238,000 and 20 positions, which includes transfers from the Immigration and Naturalization Service ($750,000) and the Drug Enforcement Administration ($156,000), and the retention of positions and funds ($1,332,000 and 20 investigator positions) in the OIG in lieu of being transferred to the Department's Office of Professional Responsibility. This amount was offset by reductions totaling $998,000 for annualization of the 1989 pay increase ($466,000) and Executive Direction and Control ($532,000 and 14 positions).

1990 Sequestration: As required by the Omnibus Budget Reconciliation Act of 1989, a total of $132,000 was sequestered from the Office of the Inspector General's 1990 enacted appropriation.

Office of Inspector General
Salaries and expenses
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990 as enacted	296	300	$20,673
1990 Sequestration	...	...	-132
1990 appropriation anticipated	296	300	20,541
Uncontrollable increases	...	...	1,599
1991 base	296	300	22,140

Estimates by Budget Activity	1989 Enacted Perm. Pos.	WY	Amount	1989 Actual Perm. Pos.	WY	Amount	1990 Appropriation Enacted Perm. Pos.	WY	Amount	1991 Base Perm. Pos.	WY	Amount	1991 Estimate Perm. Pos.	WY	Amount	Increase/Decrease Perm. Pos.	WY	Amount
Audits, Investigations, and Inspections	296	145	$9,382	296	109	$8,370 1/	296	300	$20,541	296	300	$22,140	380	350	$28,382	84	50	$6,242 2/
Reimbursable Workyears		18			14			33			33			33			...	
Total Workyears		163			123			333			333			383			50	
Overtime:																		
AUO		2			5			16			16			19			3	
Other		2			2			4			4			4			...	
Total compensable workyears		167			130			353			353			406		53		

	Appr.	Reimb	Total	Appr.	Reimb	Total	Appr.	Reimb	Total	Appr.	Reimb	Total	Appr.	Reimb	Total	Appr.	Reimb	Total
EOY Employment																		
Full-time permanent	293	35	328	239	35	274	291	33	324	291	33	324	375	33	408	84	...	84
Other than FTP	3	...	3	3	...	3	5	...	5	5	...	5	5	...	5	...	...	...
	296	35	331	242	35	277	296	33	329	296	33	329	380	33	413	84	...	84

1/ FY 1989 Budget Authority reflects withdrawal of a proposed transfer of $333,000 from Department's Office of Professional Responsibility.

2/ The 1991 President's Budget reflects a program increase of $6,500,000. This increase erroneously included $258,000 for the 4% pay increase in 1991. The 1991 Congressional submission has been corrected to show a revised program increase of $6,242,000.

Office of Inspector General
Justification of Program and Performance
Salaries and expenses

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Audits, Investigations, and Inspections.......	296	300	$20,541	296	300	$22,140	380	350	$28,382	84	50	$6,242 1/

Long-Range Goal: To reduce the incidence of fraud, waste, abuse, misconduct, inefficiency, and financial non-compliance of Department of Justice programs and those activities funded by the Department.

Major Objectives: Provide balanced audit coverage to assist Departmental management in achieving more efficient and effective operations. This includes responding to specific requests for audit from Department management and others.

Monitor and safeguard an ADP capability in the Department by the effective performance of ADP audits by a centralized ADP audit group as well as by all IG regional audit offices.

Implement audit oversight and follow-up requirements established by legislation, regulation, or executive direction.

Close 500 or more criminal investigations. This level of closures will be accomplished by cross-training OIG investigators from the U.S. Marshals Service, Bureau of Prisons and the Immigration and Naturalization Service. This cross-training will enable management to operate in a more efficient and effective manner.

Train a cadre of investigators from different components within DOJ to handle administrative types of cases. This will enable investigators in the OIG to concentrate their resources on serious criminal matters. Complete 300 or more administrative cases in one year utilizing investigators from components who were trained by OIG.

Provide short-term management and compliance inspections to serve as an early warning system of problems which must be corrected by Departmental management.

Respond to specific requests from Departmental management for assistance with inspections to improve their programs or operations.

1/ The 1991 President's Budget reflects a program increase of $6,500,000. This increase erroneously included $258,000 for the 4% pay increase in 1991. The 1991 Congressional submission has been corrected to show a revised program increase of $6,242,000.

Base Program Description: The Office of Inspector General was created in the Department of Justice, as directed by Congress in the Inspector General Act Amendments of 1988, through the transfer of nine audit, investigation, and inspection entities from the bureaus in which they had been located (INS, BOP, USMS, DEA, and JMD) and their consolidation into a single new component of the Department.

The creation of "statutory" inspectors general began in the late-1970's. Over the last decade, Congress directed that such offices be established in all cabinet-level departments except Justice and Treasury. With the Inspector General Act Amendments of 1988, the Departments of Justice and Treasury were brought into the Inspector General community.

The establishment of these offices has been premised upon a growing commitment, in both the Executive Branch and the Congress, to the creation of mechanisms designed to enhance ethics and integrity in government and to identify and eliminate fraud, waste, abuse, and mismanagement of public resources. To that end, the purposes of the Office of Inspector General are several:

- to function as a focal point for heightened awareness across the Department of issues related to integrity in general and propriety and efficiency of resource management in particular;
- to investigate and resolve allegations of misconduct against officials and staff of the Department (a responsibility shared with the Office of Professional Responsibility);
- to conduct audits and inspections of activities and operations across the Department in order to identify and resolve inefficiencies and detect vulnerabilities in their operation;
- to provide clear and early warning of problems to both agency management and the Congress through implementation of the enhanced reporting requirements set forth in the Inspector General Act Amendments of 1988.

With the exception of the statutory reporting requirements established by the Inspector General Act Amendments of 1988, these purposes are not new to the Department of Justice. Indeed, the statutory mechanism used by the Congress to create this office; i.e., the transfer of approximately 300 staff who were identified precisely because they were engaged in substantive activities which lie at the core of Inspector General responsibilities, clearly demonstrates the prior existence of Departmental programs designed to investigate, detect, and resolve fraud, waste, abuse, and mismanagement. In addition, data provided in the annual report of the Office of Professional Responsibility, with which the Office of the Inspector General now shares investigative jurisdiction for allegations of staff misconduct, clearly demonstrates a heightened awareness of these issues throughout the Department of Justice (see exhibit 1, page 14).

In addition, consistent with the Act and guidance received from the Office of Management and Budget and the President's Council on Integrity and Efficiency, this office will emphasize 1) the need for early warning systems to detect potential problems before they develop, 2) the monitoring of corrective actions after potential weaknesses have been identified, and 3) the comprehensive reporting of problems, deficiencies and progress of corrective actions to the Attorney General and the Congress.

The major functions of the OIG include, audit, investigation, and inspection:

The audit function conducts, reports and tracks the resolution of financial (including financial statement and financial related) and performance (including economy, efficiency and program) audits of organizations, programs and functions within the Department, including expenditures made under Department contracts, grants and other agreements.

The investigation function detects and investigates for criminal prosecution violators of fraud, abuse and integrity laws which govern the Department or operations which are financed by the Department, and ensures that such allegations are considered for possible civil and/or administrative actions.

The inspection function performs program review, efficiency and compliance inspections of operations and programs within the Department, or financed by the Department, and of field and headquarters entities of Department organizations. This function also provides assistance to management at all levels of the Department.

The execution direction and control function establishes and maintains policy and program direction for the OIG. Specific responsibilities include policy development, legal counsel, Congressional affairs, planning, budget, finance, quality assurance and evaluation, personnel, training, procurement, automated data processing/network communications and general support services.

Accomplishments and Workload: Selected accomplishments of the OIG since its inception include the following.

- Established Office of the Inspector General on April 14, 1989:
  - Conducted the orderly transfer of approximately 300 persons, $20 million budget, 65 cars and all property from 9 Departmental components;

- Maintained and enhanced substantive operations:
  - Formulated agreement with the Office of Professional Responsibility for handling investigations;
  - Formed procedures to refer allegations of civil rights violations to the Civil Rights Division;
  - Received and initiated investigations of well over 645 complaints, in addition to the 892 pending at the time of transfer;
  - Executed 40 arrests since April 14;
  - Continued audits underway and completed Special Audit of U.S. National Central Bureau, Interpol;
  - Issued over 57 subpoenas under IG Act;
  - Completed 8 inspections and initiated 8 new inspections;

- Maintained continuity of legal authorizations for the IG:
  - Sought and received short-term delegation of law enforcement authorities from the Attorney General;
  - Submitted justification for permanent delegation of law enforcement authority to supplant the short-term delegation;

- Prepared and submitted the first Office of the Inspector General Semiannual Report;

- Initiated the preparation of a Law Enforcement Retirement Package to continue law enforcement retirement coverage for investigators transferred into the IG's Office;

- Established and publicized a Hotline telephone number and post office box to receive allegations and initiated an active public relations program regarding the function of the OIG and the need for employees to report misconduct violations to the OIG;

- Developed an OIG Security Program, completing the critical phase of initial background checks for almost 200 employees, which has allowed access to law enforcement sensitive and classified information when operationally necessary;

- Developed FY 1990 Annual Workplans for Audit (26 major audits and some 250 other reports covering over 900 audit-related grants and contracts) and for Inspections (approximately 40 comprehensive inspections);

- Revised DOJ Order 2900.6, Audit Follow-up and Resolution Policy, to ensure the role of the Inspector General in this process;

- Developed a complaint receipt mechanism and began the development of automated audit, investigations and inspections tracking systems;

- Structured an administrative staff to avoid redundancy with Departmental services yet maintain independence prescribed by the Inspector General Act;

- Procured automation equipment to enhance document production, improve field and local communications and to participate in the Department's Office Automation Strategy (Project EAGLE); and,

- Established the "Inspector General Manual", the authorized means to codify directives governing the operation of the OIG. Initial issuances include Directives Management Systems; Mission, Organization and Functions; Delegation of Authorities; and Budget Execution and Funds Control.

The following table displays the basic workload factors for the OIG.

Item	1988	1989	1990	Change	1991 Base Level	Change	1991 Request Level
Audits:							
Internal	-	26	26	-	26	9	35
External	-	929	929	-	929	-	929
U.S. Trustees	-	405	375	-30	375	-	375
Investigations	-	1,404	1,404	-	1,404	472	1,876
Inspections	-	21	22	1	22	3	25
Management Assistance and Evaluations	-	12	25	13	25	3	28

NOTE: The Office of Inspector General was established in the Department of Justice on April 14, 1989. Because the Act brought together 9 components from 5 Departmental organizations, comparative workload data for 1988 are not readily available. Data for 1989 are provided based on actual data available through September, 1989. The decrease in U.S. Trustee audits is based on the type of review requested by the EOUST per the terms of the FY 1990 reimbursement agreement, i.e. EOUST requested more detailed audit work in FY 1990 resulting in a concomitant decrease in the number of audits conducted.

The Office of Inspector General has begun development of an automated audit, investigations and inspections tracking system to more effectively plan work and capture workload statistics. This information will allow the OIG to accurately request and utilize resources to complete audits, investigations and inspections in accordance with the Inspector General Act. An automated case tracking system is the most effective and efficient means of completing this task. The automated system will also support the personnel and security program requirements of the OIG as well as provide more comprehensive workload data for budget justifications.

1/ The 1991 President's Budget reflects a program increase of $6,500,000. This increase erroneously included $296,000 for the 4% pay increase in 1991. The 1991 Congressional submission has been corrected to show a revised program increase of $6,242,000.

Program Changes:	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Audits, Investigations, and Executive direction and control....	296	300	$22,140	380	350	$28,382	84	50	1/ $6,242

Audit: An increase of 20 positions and $1,085,000 are requested for the Audit Division. The audit function was transferred from the Justice Management Division (JMD) to the OIG intact. With current resources, the Audit Division has been able to perform approximately 26 major internal audits and issue 300 external reports covering 929 contracts, grants, and other agreements. With the requested increase, an additional eight to ten major internal audits can be performed annually. While we are far from seeking the resources to cover the audit universe in total, we believe that an additional eight to ten audits are essential and can have a very positive impact on the management of DOJ resources.

Two representative examples of major audits include the "Adjudication and Naturalization Fees in the Immigration and Naturalization Service" and "Internal Controls over Seized Evidence in the Department of Justice." The Adjudication and Naturalization Fees audit took approximately 600 work days and was performed in INS' central office, one regional office, four regional service centers, six district offices, two airports of entry, and two land ports of entry. As a result of this audit, current fees were increased based on actual costs for services resulting in about $30 million in increased revenues annually. In addition, new fees are being established for services to applicants and petitioners not previously included which will result in about $20 million in increased revenues annually.

The Department-wide review of seized evidence required about 700 work days of effort and included visits to numerous field offices and headquarters activities of the FBI, DEA, INS, EOUSA, and OCDE Task Forces. The audit included a review of each agency's internal controls over seized evidence and resulted in 12 recommendations for strengthening controls by requiring: (1) prompt documentation of seizures, (2) enhanced procedures and documentation related to transfers of seized evidence, (3) improved procedures for conducting physical inventories of seized evidence, and (4) prompt destruction of drugs seized as evidence after approval by the Office of the U.S. Attorney. The capacity to conduct an additional eight to ten audits of this size and scope can have a very positive impact on the conduct of this Department's operations.

Investigation: An increase of 50 positions (43 investigators and 7 clerks) and $3,416,000 are requested for investigation functions in the Office of the Inspector General. Selected investigation functions and associated resources were transferred to the OIG from INS, USMS, and BOP; however, the OIG has investigative responsibility for all components of the Department. While approximately 38 percent of the base investigative caseload falls under the auspices of the Department's Office of Professional Responsibility (OPR), the OIG is conducting these investigations in support of OPR consistent with a "Memorandum of Agreement Regarding Conduct of Investigations" between the two offices.

For 1991, a total of 1,876 investigations are projected to be opened representing a conservative estimated increase of 472 investigations over 1990. Including the 43 new agents requested for 1991, this caseload reflects a ratio of 1 investigator for every 16 new cases.

The OIG's investigative caseload is expected to increase significantly in 1990 and beyond for the following reasons:

. A publicity program is planned and partially underway to advertise the existence and mission of the OIG to all DOJ employees. A similar program undertaken by the INS/OPR in 1987 resulted in a 250% increase in criminal cases opened over a two-year period ending with the beginning of 1989.

As part of this publicity program, a telelphone HOTLINE was activated in July 1989. More than 400 calls have been received to date on the HOTLINE and additional mailings throughout the larger bureaus urging employees to report misconduct are expected to increase this number dramatically. Additionally, an Inspector General Mailbox was opened to receive allegations as a part of this publicity campaign. We also continue to publicize our twelve nationwide investigative offices and consistently receive allegations at each of them.

. Until the creation of the OIG, no in-house capacity for investigations existed to handle the allegations and caseload being generated by the Offices, Boards and Divisions (OBDs). Since April, 1989, more than 80 allegations have been received relative to the OBDs which require handling by special agents. Additional resources to handle these new areas of investigation are needed.

. While the final nature and configuration of the OIG's relationship and responsibility related to the FBI and DEA is still being defined, the breadth of the OIG's statutory responsibility indicates there is a role for OIG investigations in this area. We expect to receive a considerable number of allegations in these areas and need additional resources to handle them.

Premised upon the actual growth of our investigative responsibilities versus the static nature of the numbers of investigators received in the transfer, we request an additional 50 positions in the investigative area - 43 investigators and 7 clerical.

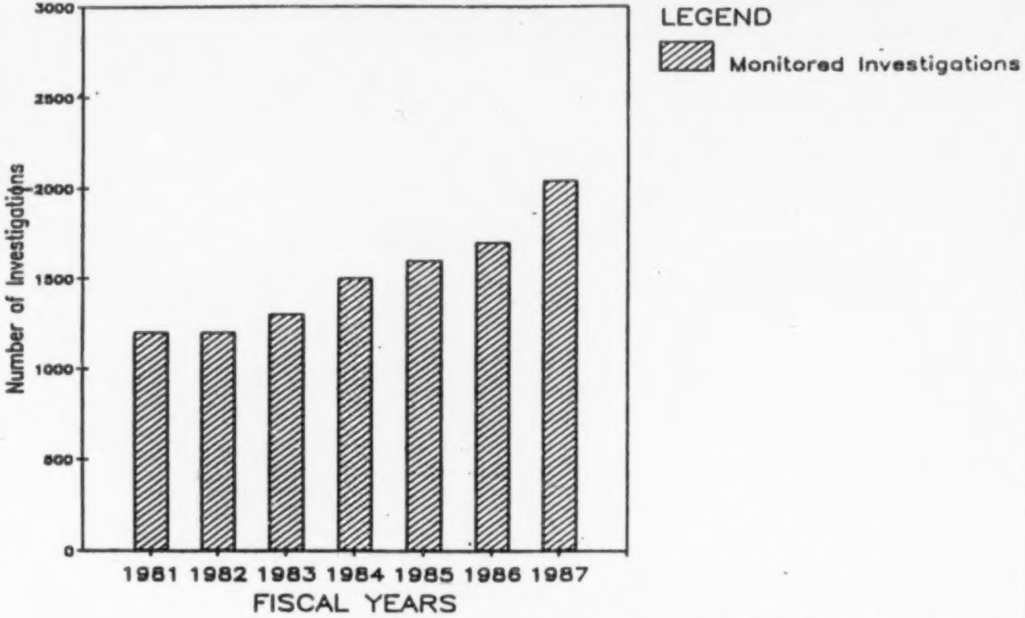
Executive direction and control: An increase of 14 positions and $1,741,000 is requested for executive direction and control activities. Although the Inspector General Act of 1978, as amended, provides for the appointment of an Inspector General and two Assistant Inspectors General, and sets the Inspector General's salary level at Executive Level IV, no resources were provided to the Department for these positions. In addition, resources for other senior management and administrative support activities were not provided. The resources necessary to manage and administer the newly created Office of the Inspector General had to be drawn from operational resources transferred to the OIG. The Inspector General requires a minimum of an additional 14 positions to provide executive direction and control over the OIG.

From a general perspective, the OIG's workload is directly related to the total level of personnel and dollar resources of the Department. From 1982 to 1990 the Department's overall full-time equivalent personnel level increased from 54,000 to 81,000 or approximately 50 percent and the dollars increased from $2.6 billion to $7.8 billion or 300 percent while OIG personnel increased from approximately 241 to 296 or 23 percent (see exhibit 2, page 15). This means that the number of employees potentially subject to OIG review, whether audit, inspection, or investigation, increased at a significantly greater rate than the staff available to do the reviews or investigations. In addition, both the temptation and the opportunity for misconduct has increased significantly as a direct result of seizures of large sums of cash and valuables and the money to be made in drug trafficking and related crime. Finally, the total amount of funds potentially subject to audit increased threefold, while the audit personnel remained essentially constant (see exhibit 3, page 16).

Internal Department Investigations

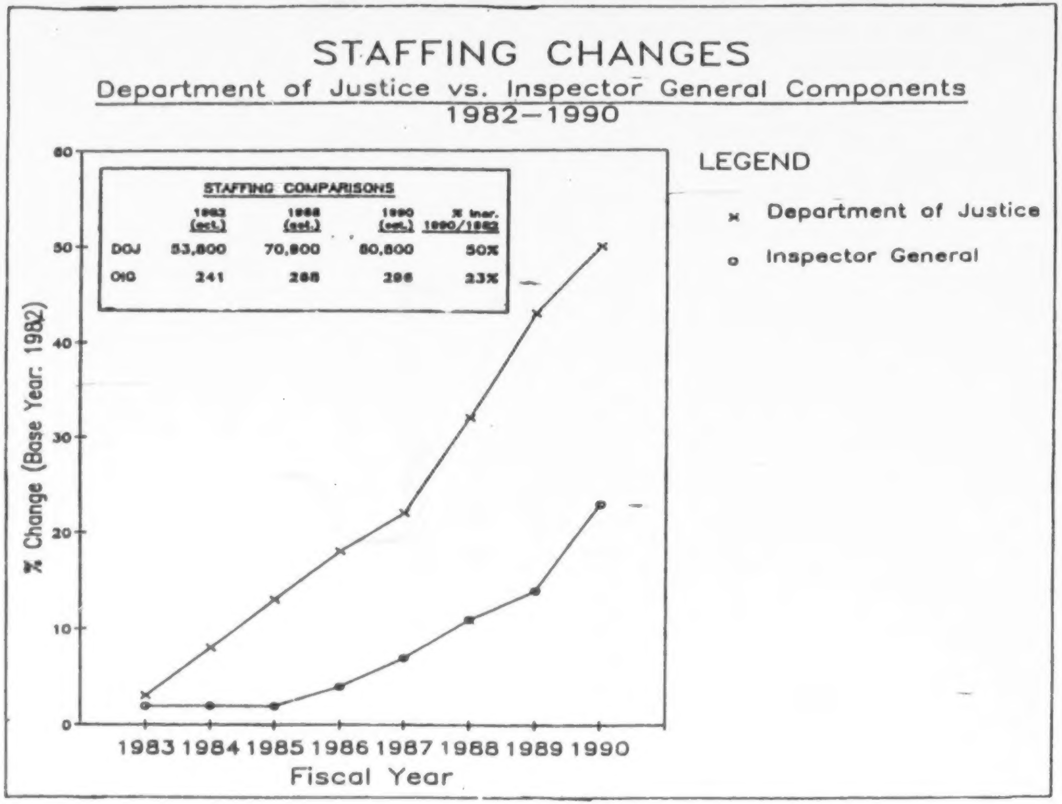
Monitored by the Office of Professional Responsibility

1981 to 1987



Source: Annual Report of the Attorney General of the U.S. 1982–1988

EXHIBIT 1



STAFFING CHANGES

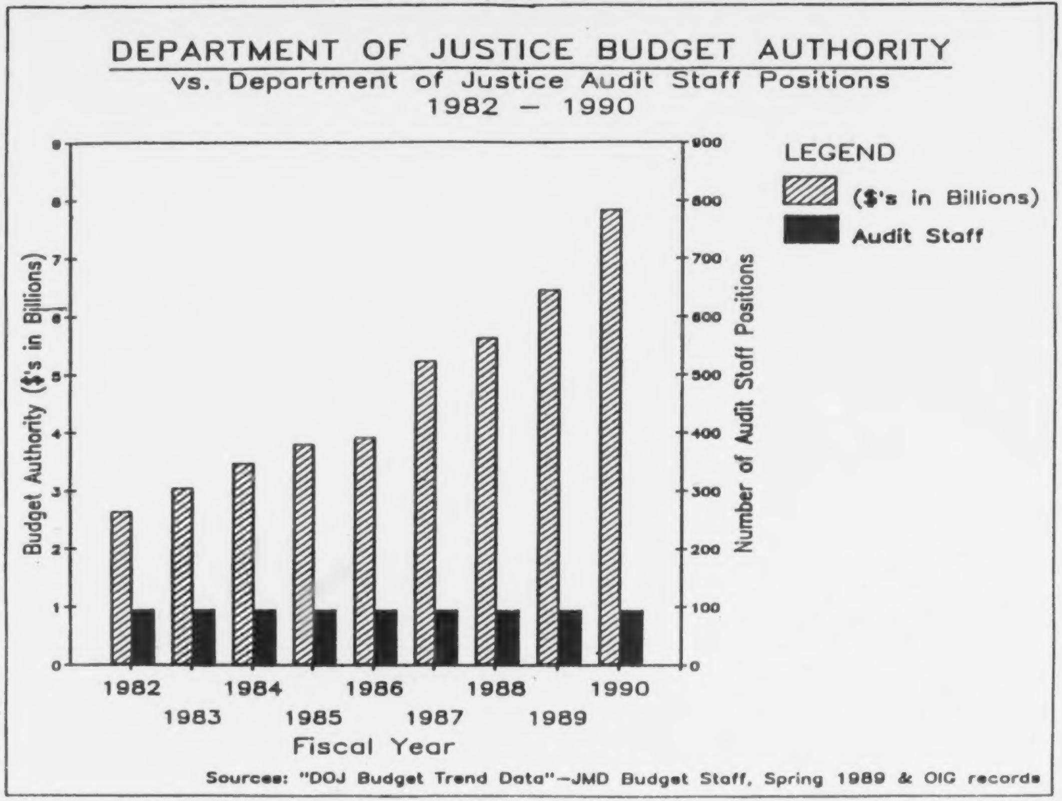
Department of Justice vs. Inspector General Components

1982–1990

STAFFING COMPARISONS

	1982 (act.)	1988 (est.)	1990 (est.)	% Incr. 1990/1982
DOJ	53,800	70,900	80,800	50%
OIG	241	288	296	23%

EXHIBIT 2



Sources: "DOJ Budget Trend Data"—JMD Budget Staff, Spring 1989 & OIG records

EXHIBIT 3

Office of Inspector General

Salaries and expenses

Financial Analysis - Program Changes

(Dollars in thousands)

Item	Audit		Investigations		Executive Dir. and Control		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades								
EX-IV	...	...	...	...	1	$84	1	$84
ES-5	...	...	...	...	1	81	1	81
ES-4	...	...	...	...	1	79	1	79
GM-15	...	...	...	...	3	178	3	178
GM-14	...	...	...	...	2	101	2	101
GS/GM-13	20	852	43	2,164	...	...	63	3,016
GS-12	...	...	...	...	3	107	3	107
GS-9	...	...	...	...	3	74	3	74
GS-7	...	...	7	141	...	...	7	141
Total positions and annual rate	20	852	50	2,305	14	704	84	3,861
Lapse (-)	-10	-423	-24	-1,155	...	...	-34	-1,578
	10	429	26	1,150	14	704	50	2,283
Administratively Uncontrollable Overtime	...	...	3	183	...	...	3	183
Total workyears and personnel compensation	10	429	29	1,333	14	704	53	2,466
Personnel benefits		107		333		176		616
Travel and transportation of persons		288		246		56		590
Transportation of things		...		43		...		43
GSA rent		80		106		95		281
Communication, utilities and miscellaneous		13		29		77		119
Other services		56		716		369		1,141
Supplies and materials		26		32		27		85
Equipment		86		578		237		901
Total program workyears and obligations changes requested, 1991	10	1,085	29	3,416	14	1,741	53	6,242 1/

1/ The 1991 President's Budget reflects a program increase of $6,500,000. This increase erroneously included $258,000 for the 4% pay increase in 1991. The 1991 Congressional submission has been corrected to show a revised program increase of $6,242,000.

Office of Inspector General

Salaries and expenses

Detail of Permanent Positions by Category

Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1991 Program Increase	1991 Total
Gen. Admin. Clerical and Office Services (300-399)........................	120	120	21	141
Accounting and Budget (500-599)............	77	77	20	97
Attorneys (905)............................	2	2	...	2
Education Group (1700-1799)................	1	1	...	1
Criminal Investigation Services (1811)......	96	96	43	139
Total..................................	296	296	84	380
Washington................................	82	82	14	96
U.S. Field................................	214	214	70	284
Total..................................	296	296	84	380

Office of the Inspector General
Salaries and expenses
Schedule of Motor Vehicles

Method of Acquisition and Type of Vehicle	1988 End-of-Year Inventory	1989			1990			1991			
		Acquired[a]	Disposed	End-of-Year	Acquired	Disposed	End-of-Year	Acquired	Average Cost	Disposed	End-of-Year
Direct Purchase:											
Large sedan	...	5	1	4	...	4	...	...	...	...	...
Midsize sedan	...	25	2	23	...	23	...	...	...	...	...
Compact sedan	...	14	3	11	...	11	...	...	...	...	...
Subcompact sedan	...	10	1	9	...	8	1	...	...	1	...
Stationwagon	...	1	...	1	...	1	...	...	...	...	...
Van	...	4	1	3	9	3	9	...	...	...	9
Trucks:											
Pickup	...	7	...	7	...	7	...	...	...	...	...
Subtotal purchased	...	66	8	58	9	57	10	...	...	1	9
Leased:											
Compact sedan	...	...	...	...	3	...	3	...	...	...	3
Midsize sedan	...	...	...	...	57	...	57	...	...	...	57
Stationwagon	...	...	...	...	2	...	2	...	...	...	2
Utility	...	...	...	...	7	...	7	...	...	...	7
Subtotal leased:	...	...	...	...	69	...	69	...	...	...	69
Total Vehicles	...	66	8	58	78	57	79	...	...	1	78

---

[a] Includes 46 forfeited vehicles (no acquisition cost).

Office of Inspector General

Salaries and expenses

Summary of Change

(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
1990 as enacted	296	300	$20,673
1990 Sequestration	...	...	-132
1990 appropriation anticipated	296	300	20,541
Adjustments to base:			
Mandatory increases:			
One additional compensable day	...	...	61
1990 Full-year pay increase impact on 1991	...	...	484
1991 Pay increase	...	...	258
Senior Executive Service increase	...	...	55
Health Benefits	...	...	93
Federal Employees Retirement System (FERS)	...	...	468
Federal Employees' Compensation Act (FECA) - Unemployment	...	...	5
GSA rent	...	...	58
GPO printing costs	...	...	3
Employee data and payroll services	...	...	3
Security reinvestigations	...	...	49
Project EAGLE Maintenance	...	...	80
Total, mandatory increases	...	...	1,617
Decreases:			
Federal Telecommunications System (FTS) decrease	...	...	-18
1991 Base	296	300	22,140
Program increases	84	50	6,242
1991 Estimate	380	350	28,382

Office of Inspector General
Salaries and expenses
Justification of Adjustments to Base
(Dollars in thousands)

	Amount
Mandatory increases:	
1. One additional compensable day The annual salary rate for Federal employees is based on 260 paid days. FY 1991 has one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure.	61
2. 1990 full-year pay increase impact on 1991 This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $484,000, is the amount required for full-year funding in 1991. NOTE: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.	484
3. 1991 pay increase For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This request provides 50 percent of the proposed 4.0 percent pay increase effective in January of 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $258,000, is the cost of the pay increase for approximately three-quarters of the year assuming a 50 percent absorption.	258
4. Senior Executive Service increase This request represents the 1991 costs of the pay increase for senior executive service employees. This pay raise is to be effective in January of 1990, but will be absorbed completely for the first year. In 1991, $55,000 is necessary for this requirement. Funding for the executive level employees pay raise is completely absorbed in both years.	55
5. Health Benefits The Federal Employees Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1990, the actual contribution to health insurance increased 27 percent. The requested increase of $93,000 provides funds for actual increased costs from pay period 1 to pay period 2, projected for a full year.	93
6. Federal Employees Retirement System (FERS) This request provides for the additional costs in 1991 necessary to continue the implementation of the Federal Employees Retirement System Act of 1986, P.L. 99-335. The Act established a retirement program for Federal civilian employees and Postal workers hired after December 31, 1983, who are covered by social security and for employees under the Civil Service Retirement System who chose to transfer to the new system. The increased requirement for 1991 is based on actual agency payments for the basic FERS annuity, Social Security and thrift savings.	468

7. Federal Employees' Compensation Act (FECA) - Unemployment 5

This increase reflects the billing provided by the Department of Labor for the actual costs in 1989 of employees' unemployment compensation.

8. GSA rent 58

GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. An uncontrollable increase of $58,000 is required to meet our commitment to GSA.

9. GPO printing costs 3

The Government Printing Office (GPO) is currently projecting a seven-percent increase over the 1990 printing costs of $45,000. An additional $3,000 will be required in 1991.

10. Employee data and payroll services 3

Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems, maintenance and payroll accounting, are based on the number of employee records maintained. The rate of $188.23 per record in 1990 will be raised to $199.52 per record for 1991. The change is based on anticipated uncontrollable cost increases of 6 percent for the operation of the Justice Employee Data Service. An increase of $3,000 will be required in 1991.

11. Security Reinvestigations 49

The security reinvestigation program has been receiving widespread attention due to the increase in espionage cases, and the many situations where employees, who had been working in their jobs for a number of years, were discovered to be involved in various activities that were detrimental to the nation's security. The Office of Personnel Management, Federal Personnel Manual, Chapter 736 requires incumbents of certain positions to be reinvestigated, at a minimum, every five years. By 1991, the Department will require 7,592 employees to be reinvestigated in each of the next five years to address the existing backlog. Requested resources will provide for an additional 2,300 cases per year of the 7,092 cases that remain unfunded. An increase of $49,000 will be required in 1991.

12. Project EAGLE Maintenance 80

As part of Project EAGLE, the OIG will be required to provide maintenance costs from its operating budget after the Government assumes ownership of the workstations and other equipment. Based on 1989 procurement of this equipment, the Office of the Inspector General will require $80,000.

Total mandatory increases $1,617

Decreases:

1. Federal Telecommunications System (FTS) .... -18

In 1991, the General Services Administration (GSA) is to have the FTS 2000 system fully implemented. At present, GSA projections indicate costs for current FTS minute user charges will decrease from 34 cents per minute to 18 cents per minute. The reduction of $18,000 reflects this decrease.

Total, adjustments to base $1,599

1991 BUDGET REQUEST

Mr. MOSCATO. As you noted, the fiscal year 1991 request totals $28,382,000 and 380 appropriated positions. Aside from the mandatory increases for specific operating costs, the 1991 request represents a program increase of 84 positions and $6,242,000. The increase provides 50 positions and $3,416,000 for investigations, 20 positions and $1,085,000 for audit, and 14 positions and $1,741,000 for management activities.

The Office of the Inspector General is approximately one year old. Born of the IG Act amendments of 1988, it was established in April of 1989 with appropriated full-time staffing of 296 positions and an annualized appropriation level of $19,671,000. The office was staffed and funded pursuant to the legislative scheme through the transfer of nine separate program elements from five of the Department's bureaus.

OIG COMPONENTS

Today the office consists of four divisions: audit; investigations; inspections and management and planning. Audit and investigations are the two traditional centers of Inspector General activity with which you are familiar. The inspections division was created, as it has been in several other offices of Inspector General, to provide an added degree of flexibility in addressing issues and an added capacity to provide early warning to departmental managers. In essence, we have created the inspections division to focus on very specific issues and/or field locations to move on a very fast track and to provide answers as rapidly as possible.

The fourth division, management and planning, provides the full range of management and control functions required to maintain the autonomy, independence and control required of an office of inspector general.

INVESTIGATIONS

In 1991, as I noted a moment ago, we are requesting an increase of 50 positions and $3,416,000 for investigations. This request is predicated upon both the rapid rise in workload and a need to perform this function in a rapid and controlled fashion.

At the inception of the office, the entities that make up our investigative function brought in over 900 active cases with them. Since then, in just under one year of operation, we have received over 1,400 new allegations of misconduct for investigation. If this trend continues—and we have no reason to doubt it will—we will be required to handle over 1,800 such allegations in 1991.

The vast majority of the staff of the Department of Justice are men and women of probity and integrity who perform very difficult tasks under difficult circumstances. It is critical, in our view, both for their individual reputations and that of the Department of Justice, that allegations of misconduct be investigated quickly and thoroughly, and that where they are substantiated, action be taken to prosecute, discipline or remove the employee, and that where they are not substantiated, the taint of doubt be removed from the individuals against whom the allegations were made. These additional resources will enable us to ensure that this workload is controlled and the work is done, as I said, quickly and thoroughly.

AUDIT FUNCTIONS

In the audit area for 1991, we are requesting an additional 20 positions and $1,085,000. This request is based both upon our current staffing level, which is too low, and the increased funding and financial sophistication of departmental operations. The Office of the Inspector General has only 90 total staff to manage and conduct an audit program for an executive department funded at almost $9 billion and staffed at approximately 80,000 in 1991. In addition, the recent enhancement or acceleration of such programs as debt collection, asset seizure and forfeiture, prison construction and user fees have created processes that move, quite literally, billions of dollars through the Department of Justice. In light of these factors, the requested increase, which will provide for an additional eight major internal audits, is modest in nature but, we think, critical to our continued effectiveness.

ADMINISTRATIVE AREA

Finally, in the area of executive direction and control, we are requesting an additional 14 positions and $1,741,000 for 1991. This request is based principally on the fact that this Office of Inspector General has never been provided with funds or resources for either a management structure or administrative support. The structure we have created has been supported by resources taken from line operations. It is critical that these 14 positions be funded so that we may return the borrowed resources back to the conduct of line operations.

I thank you for your attention. I will be happy to answer questions.

[Mr. Moscato's biography and prepared statement follow:]

ANTHONY C. MOSCATO

Anthony C. Moscato was appointed Acting Inspector General for the United States Department of Justice on April 10, 1989. Prior to that appointment, he served as Deputy Assistant Attorney General for Administration from 1987. In that role, he participated in supervising the Departmental Audit Staff. From 1984 to 1987, Mr. Moscato served as Counselor to the Assistant Attorney General for Administration. From 1977 to 1984, he served in a number of senior management positions in the Justice Management Division. In 1975 and 1976, Mr. Moscato was a Trial Attorney in the Tax Division.

Anthony C. Moscato was born in New York City, New York, on September 4, 1945, and grew up in that area. He received a B.A. degree in Government from Columbia University in 1967 and a J.D. degree from the National Law Center, The George Washington University in 1970. Mr. Moscato received the Attorney General's Award for Distinguished Service in 1988 and the Attorney General's Medallion in 1990.

Anthony C. Moscato is married to Deborah S. Moscato and has two children.

DEPARTMENT OF JUSTICE
OFFICE OF INSPECTOR GENERAL

STATEMENT OF THE ACTING INSPECTOR GENERAL
ANTHONY C. MOSCATO
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before you today in support of the 1991 budget request of the Office of the Inspector General. This request totals $28,382,000 and 380 appropriated positions. Aside from mandatory increases for specific operating costs, the 1991 request represents a program increase of 84 positions and $6,242,000. The increase provides 20 positions and $1,085,000 for audit functions, 50 positions and $3,416,000 for investigations, and 14 positions and $1,741,000 for management activities. I will, in a moment, address myself specifically to those three requests; however, since this is the first time that a representative of the Office of Inspector General has had the opportunity to testify before this Committee, I would like, with your permission, to take a brief moment to describe the office and its creation.

As you are aware, the Office of the Inspector General in the Department of Justice was established pursuant to the Inspector General Act Amendments of 1988. The statutory scheme for the establishment of the Office called for the transfer of nine distinct elements from five of the Department's components into a single entity. In April of 1989, that transfer was completed and the Office of the Inspector General began operations.

From its inception, this Inspector General's office has been fully active and fully operational. Audits and inspections that were ongoing at the time of implementation were conducted and issued. Misconduct investigations, almost 900 of them, were transferred in at the time of implementation and have been continued. In addition, we are proceeding to implement full audit and inspection programs, and we have handled in excess of 700 new allegations of misconduct filed during the first six months of operation.

In short, while we have moved through the process of creating a unified and cohesive entity from the nine individual elements that transferred in, we have continued and expanded the substantive activity of an Inspector General's Office.

Some of the major actions we have taken in establishing the office, include:

-- restructuring the nine elements into four operating divisions; Audit, Investigations, Inspections, and Management and Planning, including the administrative systems to support a nationwide field structure.

-- providing law enforcement authority to all Inspector General Special Agents by delegation from the Attorney General including authority to issue warrants, make arrests and carry firearms. This delegation will run through June 1991 and is subject to renewal based upon a review by the Deputy Attorney General.

-- establishing audit and inspection jurisdiction Department-wide, to include every component and operation within the Department.

-- submitting our first semiannual report last fall in accordance with the new reporting requirements established by the Congress, and

-- revising the audit resolution process which recognizes the role of the Inspector General within the Department of Justice, and accommodates the reporting requirement of both the Inspector General and Departmental management.

In short, the Office of the Inspector General at the Department of Justice is fully functional and fully operational.

Let me now turn to the specific requests for increases encompassed in the 1991 budget request.

Office of the Inspector General
Salaries and expense
Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Grades and salary ranges	1989 Actual Positions & Workyears	1989 Actual Amount	1990 Estimate Positions & Workyears	1990 Estimate Amount	1991 Request Positions & Workyears	1991 Request Amount	Increase/Decrease Positions & Workyears	Increase/Decrease Amount
Executive Level IV, $83,600	...		...		1		1	
ES-5, $81,400	...		...		1		1	
ES-4, $79,200	...		3		4		1	
ES-1, $71,200	3		...		...		...	
GS/GM-15, $59,216-76,982	20		20		23		3	
GS/GM-14, $50,342-65,444	38		38		40		2	
GS/GM-13, $42,601-55,381	108		108		171		63	
GS-12, $35,825-46,571	24		24		27		3	
GS-11, $29,891-38,855	33		33		33		...	
GS-9, $24,705-32,121	11		11		14		3	
GS-8, $22,367-29,081	1		1		1		...	
GS-7, $20,195-26,252	25		25		32		7	
GS-6, $18,174-23,628	2		2		2		...	
GS-5, $16,305-21,201	15		15		15		...	
GS-4, $14,573-18,947	15		15		15		...	
GS-3, $12,982-16,879	1		1		1		...	
1991 pay increase	...	...	...	...	...	251	...	251
Total, appropriated positions	296	$11,712	296	$12,499	380	$18,120	84	$5,621
Pay above stated annual rates	...	...	...	...	...	61	...	61
Lapses	-190	-6,715	-1	-42	-35	-1,597	-34	-1,555
Savings due to lower pay scales for part of year	...	...	...	- 121	...	...	...	121
Net full-time permanent	106	4,997	295	12,336	345	16,584	50	4,248
Other than permanent:								
Temporary employment	2	49	4	90	4	90	...	...
Other part-time and intermittent employment	1	14	1	29	1	29	...	...
Other personnel compensation:								
Overtime	1	30	1	33	1	33	...	...
Administratively uncontrollable overtime	5	190	16	670	19	826	3	156
Other	1	25	3	100	3	100	...	...
Total, workyears and personnel compensation	116	5,305	320	13,258	373	17,662	53	4,404

Office of Inspector General

Salaries and expense
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1989 Actual Workyears	1989 Actual Amount	1990 Estimate Workyears	1990 Estimate Amount	1991 Request Workyears	1991 Request Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11.1 Full-time permanent	106	$4,997	295	$12,336	345	$16,584	50	$4,248
11.3 Other than full-time permanent	3	63	5	139	5	127	...	-12
11.5 Other personnel compensation	7	245	20	783	23	951	3	168
Total	116	5,305	320	13,258	373	17,662	53	4,404
Reimbursable workyears:								
Full-time permanent	(14)		(33)		(33)		(...)	
Other objects:								
12 Personnel benefits		760		2,320		4,146		1,826
21 Travel and transportation of persons		479		1,280		1,795		515
22 Transportation of things		24		100		125		25
23.1 GSA rent		223		1,669		1,713		44
23.3 Communications, utilities and miscellaneous charges		32		625		636		11
24 Printing and reproduction		18		15		90		75
25 Other services		1,497		1,003		1,283		280
26 Supplies and materials		156		144		194		50
31 Equipment		882		127		738		611
Total obligations	118	9,376	320	20,541	373	28,382	53	7,841
Unobligated balance lapsing		6		...		...		
Total requirements		9,382		20,541		28,382		
Relation of obligations to outlays:								
Obligated balance, start-of-year		...		1,988		1,256		
Obligated balance, end-of-year		-1,988		-1,256		-1,583		
Outlays		7,388		21,273		28,055		
Average ES Salary		($75,650)		($79,200)		($80,300)		($81,400)
Average GS/GM Salary		($41,305)		($41,919)		($45,722)		($45,965)
Average GS/GM Grade		(11.3)		(11.3)		(11.6)		(12.4)

Office of the Inspector General
Reimbursable Resources
Summary of Requirements
(Dollars in thousands)

	1989 Actual			1990 Estimate			1991 Request			Increase/Decrease		
Financing:	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Collections by Source:												
U.S. Trustees......................		16	$1,800		31	$2,100		31	$2,100		...	...
Environmental Protection Agency...		2	88		2	100		2	100		...	...
Bureau of Prisons.................		...	...		...	150		...	...		...	-150
Total..........................		18	$1,888		33	$2,350		33	$2,200		...	-150
Obligations by Program:												
Audit.............................		18	1,888		33	$2,200		33	$2,200		...	...
Investigations....................		...	...		...	150		...	...		...	-150
Total..........................		18	1,888		33	2,350		33	2,200		...	-150

NOTE: Due to reduced funding within the U.S. Trustees, the amount included in the reimbursable agreement between the OIG and U.S. Trustees is revised downward.

Office of the Inspector General
Justification of Reimbursable Resources

Source of Reimbursement:	1989 Actual Pos.	1989 Actual WY	1989 Actual Amount	1990 Estimate Pos.	1990 Estimate WY	1990 Estimate Amount	1991 Request Pos.	1991 Request WY	1991 Request Amount	Increase/Decrease Pos.	Increase/Decrease WY	Increase/Decrease Amount
U.S. Trustees......................		16	$1,800		31	$2,100		31	$2,100		...	...
Environmental Protection Agency...		2	88		2	100		2	100		...	...
Bureau of Prisons.................		...	...		...	150		...	...		...	...
Total.........................		18	1,888		33	2,350		33	2,200		...	-150

Goods or Services Provided:

U.S. Trustees: Provides for audit services related to recently appointed panel trustees to identify potential problem areas/weaknesses; Chapter 12 & 13 standing trustees to examine annual financial reports and cash management reviews of Chapter 7 panel trustees.

Environmental Protection Agency: Provides for 2 workyears to audit Superfund.

Justification of Increase/Decrease:

The FY 1990 reimbursement from the Bureau of Prisons represents a one-time transfer related to the costs for equipment and materials associated with the transfer of personnel in FY 1989; these resources were not transferred with the personnel.

Investigations

Pursuant to the Inspector General Act Amendments of 1988, the Inspector General of the Department of Justice is granted authority to conduct any investigation, criminal or administrative, into misconduct or fraud related to Department programs or activities that he or she considers appropriate.

Our total staffing in the investigative area is 110, with 83 line investigators, located in 13 offices around the country. The 1991 request will provide a total staffing level of 168 for Investigations. This increase is needed because of expanded jurisdiction, and the need to address increased workload in a timely manner.

From the first day of operation, our capacity to conduct this program has been complicated by a number of factors, including the following:

First, the Investigations Division was created and staffed with resources transferred from three bureaus; the Immigration and Naturalization Service, the Bureau of Prisons, and the U.S. Marshals Service, and they were busy with very active caseloads when they came into the office. Those three bureaus comprise approximately 50 percent of the employees of the Department. However, our jurisdiction now extends across the Department and, as allegations have come in from many of the other 27 components that make up the Department of Justice, we have had to spread our investigative resources to accommodate them. Our resources have been further strained because seizures of large sums of cash and valuables and the money to be made in drug trafficking have increased the temptation and the opportunity for misconduct within the Department.

Second, fraud and misconduct allegations must be resolved promptly. As the principal legal and law enforcement agency of the Federal Government, the public must be confident that when the Department of Justice undertakes an investigation or prosecution or law suit, it will do so with probity, equity and fairness. Our investigation program has two main goals: to identify and substantiate the misconduct of those who have been guilty of impropriety so that appropriate criminal and/or administrative action can be taken, and when allegations of misconduct are not sustained, to swiftly ensure the issue is resolved.

Both of these goals require the capacity to handle allegations and investigations in a proper and rapid fashion. The additional investigators we seek will ensure that we have the manpower to manage this difficult task in an efficient and timely manner. For 1991, approximately 1,876 investigations are projected to be opened, representing a conservative estimated increase of 472 investigations over 1990. Including the 43 new agents requested for 1991, this caseload reflects a ratio of one investigator for every 16 new cases.

Audit

At present, the Audit Division of the Office of the Inspector General is staffed with 90 people to cover a Department funded in excess of $9 billion and staffed with over 80,000 people.

The request for 20 additional audit staff is modest when viewed in the perspective of the Department's overall growth and is vitally necessary if the Congress is to have any assurance that the dollars it appropriates are well-spent and properly managed.

Based upon both historical data and current experience, we can expect the Audit Division to perform some 25 major internal audits of Departmental operations this year and issue 300 external reports covering over 900 contracts, grants and other agreements.

Although the Department's Audit Staff has not changed in size since 1982, the Department has grown significantly over the last several years, from less than $3 billion in 1982 to approximately $9 billion in 1990. It has also begun to change the focus of its activities. Where once the budget of the Department of Justice was basically composed of salaries and related expenses, it now is far more complicated and financially sophisticated:

-- We have seen a significant growth of user fees in the Immigration and Naturalization Service, funds through which millions of dollars flow annually.

-- The United States Trustees program has come of age, and with it have come literally hundreds of millions of dollars flowing through the trustee process, for which individual panel and standing trustees must be accountable and responsible.

-- The Debt Collection activities of the Department have significantly increased over the last decade, bringing, again, hundreds of millions of dollars through United States Attorneys offices and legal divisions.

-- The Office of Justice Programs has grown dramatically over the last several years. Total grant funding in 1991 will likely be in excess of $600 million.

-- Asset Seizure and Forfeiture activities have grown dramatically as well, requiring a program for the management of hundreds of millions of dollars in tangible assets.

These programs have all either begun or grown dramatically in the last several years, during a time in which there has been little or no concomitant increase in audit resources around the Department.

Inspections

While we are not requesting an increase for the Inspections program, it is important to note the need for the capability to provide a very rapid analysis and response regarding an organization's compliance with standing regulations. Specific problems in specific locations can be identified and dealt with by Bureau or Department management in a rapid fashion and provide an "early warning" of potential problems. In addition, patterns of difficulty that become evident can be surfaced to Department leadership quickly. Inspections may also be used to provide management assistance in response to requests by component heads. Such assistance may be provided to any department manager facing a problem who is either uncertain as to how to proceed or perhaps simply needs a fresh look at the situation. We plan to use the inspections function for a variety of efforts which are important to the successful conduct of the Department's programs.

Management Activities

We are requesting 14 additional positions in 1991 to supplement the resources taken from the operating components of the Office of Inspector General to provide management and support. Although the Inspector General Act Amendments provided positions for auditors, investigators, and inspectors, it did not earmark funds for the Immediate Office of the Inspector General or for the management support necessary to keep these people functioning. The resources necessary to manage and administer the newly created Office of Inspector General (OIG) were drawn from operational resources transferred to the OIG. An in-house administrative capability is essential if the Office of the Inspector General is to maintain the statutorily mandated independence from the programs and operations of the rest of the Department.

In sum, I believe that the 1991 request is essential to the accomplishment of our mission.

I appreciate this opportunity to present this brief summary of the Office of the Inspector General request. I will be happy to entertain any questions at this time.

RESPONSIBILITIES OF THE IG OFFICE

Mr. SMITH. Well, you seem to emphasize looking for dishonesty or lack of integrity, but your responsibility goes far beyond that.

Mr. MOSCATO. To efficiency and effectiveness.

Mr. SMITH. And finding examples of agencies that are not doing their job so you can report directly to the Attorney General.

Mr. MOSCATO. That is certainly correct, and is the major thrust of both the audit and inspections operations. I had not meant to give you the sense that misconduct was the only thing that we were looking at.

ATTORNEY GENERAL OVERSIGHT

Mr. SMITH. I see.

Well, now, you are fairly new; one of the newest IG departments. This all started 30 years ago. I happened to be on the subcommittee that set up the first IG down at the USDA. They have spread now almost throughout the government. One of the principal purposes of having IGs is so the head of a department, in your case, the Attorney General, does not depend upon people reporting to him inefficiencies in their own office, which they would not necessarily do.

The key to it is your being able to get all the information you need and to report directly to the Attorney General. Are you able to do that?

Mr. MOSCATO. Yes, we are. The Attorney General directly gets copies of our reports and our inspections, and our audits.

Mr. SMITH. He gets copies of them. Does that mean they are just sent to his office?

Mr. MOSCATO. They are sent to his office.

Mr. SMITH. You are not encountering any problems with rules down there that make it difficult to work through the bureaucracy?

Mr. MOSCATO. Rather the reverse; the Attorney General's office, from the moment we got started, has been consistently supportive of our activities.

Mr. SMITH. Yes, okay.

You are a fairly new office and we cannot question too much about what you did the year before last because you were not there. [Laughter.]

I think the rest of our questions can best be handled for the record.

Thank you.

Mr. MOSCATO. Thank you very much.

[The following questions were submitted to be answered for the record.]

QUESTIONS SUBMITTED BY CONGRESSMAN SMITH

Office of Inspector General

QUESTION: 1990 is your first full year of operating as a separate entity in the Justice Department. Have you completed the restructuring of your organization as required by the Inspectors General Act?

ANSWER: Yes. Today, the office consists of four divisions: Audit, Investigations, Inspections, and Management and Planning. Audit and Investigations are the two traditional centers of Inspector General activity, with which you are familiar. The Inspections Division was created, as in several other offices of Inspector General, to provide an added degree of flexibility in addressing issues and an added capacity to provide "early warning" to departmental managers. In essence, we have created the Inspections Division to focus upon very specific issues and/or field locations, to move on a very fast time track, and to provide answers as rapidly as possible.

QUESTION: Have all the Department's audit and inspection functions been transferred to your organization?

ANSWER: Prior to the 1988 enactment of an Office of Inspector General for Justice, the General Accounting Office identified 15 audit, inspections, and internal investigations units within the Department of Justice. (GAO, "Justice Department: An Assessment of the Need for a Statutory Inspector General" B-203900 (Feb. 24, 1986)). In the 1988 legislation, Congress moved 9 offices or parts of offices into the Office of the Inspector General, leaving 3 units in the Department with inspection or audit functions. They are:

Audits:	FBI - Audit Group, Office of Program Evaluation and Audit
Inspections:	FBI - Inspection Division DEA - Planning & Inspection Division

QUESTION: Do you believe you have had any impact on the operations of the Department that would not have been made prior to the formation of your organization?

ANSWER: When the creation of Inspectors General was under consideration by Congress in 1978, the Department pointed out that it had offices in existence that already fully served the objectives Congress had in mind. The Department of Justice (DOJ) had audit and investigations offices to safeguard it from fraud, waste and abuse. The principal criticism lodged by GAO about these activities is that they lacked independence from the program managers and bureau management that they scrutinized. This independence has been fully accomplished by the establishment of the Office of the Inspector General (OIG).

Some specific accomplishments responsive to your question:

(1) We have direct access to the Attorney General and his personal support in our activities.

(2) We have eliminated artificial office boundaries and compartmentalized approaches to the problems of fraud, waste and abuse, which allow more responsive, quicker and more innovative solutions. There is a very healthy interchange of ideas, with both our Audit and Investigation Divisions providing leads for inspections; and a number of inspections have uncovered irregularities that immediately became subjects for investigations criminally. We can team up auditors and investigators for contract and grant fraud investigations with an ease and speed that probably would not have been as possible under the former structure.

(3) The increase in the number of allegations and the success of the HOTLINE demonstrate the existence of a greater sensitivity on the part of Departmental employees to problems of fraud, waste and abuse.

(4) We have changed the character of inspections from the traditional "white glove" review of compliance with regulations to a broader, more flexible form of assistance and advice on tricky management problems that, in the long run, may be one of the most valuable contributions to the Department that this office can make.

(5) Finally, the semiannual reporting requirements and the audit resolution process that we have established have increased the responsiveness of management to the recommendations that follow from our audit and inspection activities.

QUESTION: Why do you believe it is necessary to increase your staffing by 84 positions (28 percent)?

ANSWER: This is the first opportunity that we have had to assess the needs of the Office against the funds available to do it.

As I mentioned in my prepared remarks, this office received no funding for management and executive control. The positions have been "borrowed" from our operations staff. In our 1991 request to Congress, we have requested an additional 14 positions and $1,741,000 to provide executive direction and control over the Office of Inspector General.

In the area of investigations, we expect a workload increase of 35 percent. This is potentially the most explosive area within the office's responsibilities. I do not ever want a Housing and Urban Development scandal or a Department of Defense Operation Ill Wind in the Department of Justice. I want to ensure that we have allegations that go to the integrity of the Department's personnel--

its most precious resources and the largest single use of its appropriations -- under control.

Our data show a significant need for more auditors. Our present ability to provide timely coverage to the universe of auditable Departmental activities is not adequate. We cannot meet accepted audit standards with our present workforce. The Department's budget has tripled since 1982; our Audit Staff has not increased at all. We have declined a number of requests from Bureau Directors to audit portions of their bureau because we do not have sufficient audit resources. Our request is a carefully-staged increase, based on a need that we are confident exists and that we are confident we can defend.

QUESTION: In 1990, you have decreased audits of the U.S. Trustees from 405 to 375. Why have you reduced these audits, especially considering the large amounts of funds being handled and the use of private sector individuals to administer the program?

ANSWER: The decrease in U.S. Trustees audits is based on the type of review requested by the Executive Office for United States Trustees (EOUST) per the terms of the 1990 reimbursement agreement, i.e., EOUST requested more detailed audit work in 1990 resulting in a concomitant decrease in the number of audits conducted. The scope of the scheduled 1990 audits includes more detailed cash management reviews of chapter 7 panel trustees designed to provide the U.S. Trustees with an assessment of the controls employed by individual panel trustees in the high-risk area of cash management. Further, at the behest of the EOUST, the OIG Audit Division will provide significant resources to the reconstruction of records of selected trustees who have not complied with EOUST reporting requirements. The performance of this effort, while more time consuming than cash management reviews, will enable the EOUST to determine the financial status of the reviewed trustee. Lastly, full scope audits of several chapters 12 and 13 standing trustees will be conducted to examine the accuracy of the annual financial reports submitted to the U.S. Trustees. The broader-scope nature of these reviews is anticipated to require the same amount of OIG Audit Division resources as in 1989, but will result in a slight reduction in the number of reports issued. In addition, U.S. Trustees has requested $1,000,000 for independent audits of panel trustees.

QUESTION: For the record, please provide a list of audit reports and any savings identified in those reports.

ANSWER: The nature of the majority of DOJ programs and activities do not lend themselves to significant cost savings, as the majority of the Department's appropriations are being spent on personnel and related costs, rather than on contracts and grants. While the Department's expenditures for contracts are still significant, 40 percent of such actions are for small purchases under $25,000. Consequently, the majority of the Department's audits are performance related, and are designed to assess the economy and efficiency of various DOJ operations as well as their compliance with applicable laws and regulations. These audits result in better operations, cost avoidance, and the use of available funds in more efficient or effective manners.

Internal audits include:

A Special Audit of the United States National Central Bureau - INTERPOL

Payment and Obligation Modules in the Financial Management Information System

The Bureau of Prisons' Procurement of Community Treatment Center Services

Unemployment Compensation Procedures and Controls in the Justice Management Division and the Federal Bureau of Investigation

The Drug Enforcement Administration's Automated Data Processing General Controls

Memorandum Report on the Immigration and Naturalization Service's Special Review of "The Nelson Years"

Superfund Activities in the Land and Natural Resources Division for FY 1988

Review of Administrative Controls in the U.S. Attorney's Office, Northern District of Mississippi

Review of Administrative Controls in the U.S. Attorney's Office, Southern District of New York

Review of Administrative Controls in the U.S. Attorney's Office, District of Columbia

Review of Administrative Controls in the U.S. Attorney's Office, Western District of Oklahoma

Review of Administrative Controls in the U.S. Attorney's Office, District of New Mexico

The U.S. Marshals Service's National Prisoner Transportation System

The Drug Enforcement Administration's Motor Vehicle Fleet Management Program

Planning for Debt Collection within the Department of Justice

Debt Collections at the U.S. Attorney's Office, Eastern District of Texas

Controls Over Certificates of Naturalization and Citizenship in the Immigration and Naturalization Service

Summary of Trustee Reports and Findings Issued During FY 1989

Procurement Activities in the Drug Enforcement Administration

Federal Bureau of Investigation Cash Management Cost Savings $57,400

Justice Management Division Imprest Fund Cost Savings $800

Audit of the Drug Evidence Destruction Policy

Seized Asset Management

Hazardous Waste in the Bureau of Prisons

Department of Justice Executive Use of Aircraft

Immigration and Naturalization Service Year-End Closing Audit

Department of Justice Employee Relocation Services

Procurement and Reporting of Consulting Services

Department of Justice Year-End Spending

Federal Bureau of Investigation ADP General Controls

Federal Bureau of Investigation Procurement

Drug Enforcement Administration Accounting System

Immigration and Naturalization Service Financial Accounting and Control System

Contracting Office Technical Representative of the Asset Funds Audit

Bureau of Prisons Planning, Design, and Construction of Prison Facilities

Working Capital Fund

Value Engineering

Office of Professional Responsibility Special Request

Drug Enforcement Administration Office of Professional Responsibility

EXTERNAL AUDIT REPORTS

Following are listings of External Audit Reports and U.S. Trustee Audit Reports, performed by or under the authority of the Office of Inspector General. Majority performed under The Single Audit Act or OMB Circular A-110.

Title/Report Number	
Audit of Council of State Governments	TJF-40-89-002
Audit of the Institute for Intergovernmental Research, Inc.	TJF-40-89-003
Audit of State of Alabama Department of Corrections	TJP-40-89-002
Audit of Georgia Department of Community Affairs	TJP-40-89-003
Audit of State of Alabama Criminal Justice Information Center Commission	TJP-40-89-004
Audit of the District Attorney, Montgomery County, Alabama	TJP-40-89-005
Audit of Georgia State University	TOF-40-89-001
Audit of the University of Kentucky	TOF-40-89-002
Audit of the Medical University of South Carolina	TOF-40-89-003
Audit of Durham County, North Carolina	TOP-40-89-010
Audit of the City of St. Petersburg, Florida	TOP-40-89-011
Audit of the City of Jacksonville, Florida	TOP-40-89-012
Audit of the South Carolina Department of Mental Health	TOP-40-89-013
Audit of Gwinnett County, Georgia	TOP-40-89-014
Audit of the City of Knoxville, Tennessee	TOP-40-89-015
Audit of Alachua County, Florida	TOP-40-89-016
Audit of the South Carolina Governor's Office	TOP-40-89-017
Audit of the City of Birmingham, Alabama	TOP-40-89-018
Audit of Seminole County, Florida 1/	TOP-40-89-019
Audit of the National Coalition of State Juvenile Justice Advisory Groups	TJF-50-89-005

1/ Questioned Costs - $78

Audit of the State of Illinois Department of State Police 2/	TJP-50-89-004
Audit of the Iowa Department of Corrections	TJP-50-89-005
Audit of the Lafayette County, Missouri	TJP-50-89-006
Audit of Kansas Department of Corrections Computer-Assisted Instructional Program Kansas State Industrial Reformatory	TJP-50-89-007
Audit of the Kansas Attorney General's Office	TJP-50-89-008
Audit of the Regional Justice Information System (St. Louis)	TJP-50-89-009
Audit of Nebraska Commission on Law Enforcement and Criminal Justice	TJP-50-89-010
Audit of the Indiana Criminal Justice Institute	TJP-50-89-011
Audit of the Indiana State Police	TJP-50-89-012
Audit of Loyola University of Chicago	TOF-50-89-003
Audit of Indiana University (Bloomington)	TOF-50-89-004
Audit of University of Iowa	TOF-50-89-005
Audit of University of Iowa	TOF-50-89-006
Audit of Purdue University, Indiana	TOF-50-89-007
Audit of Comprehensive Mental Health Services Inc. and Subsidiaries	TOF-50-89-008
Audit of the City of St. Louis, Missouri	TOP-50-89-012
Audit of the State of Wisconsin	TOP-50-89-013
Audit of Cass County, Missouri	TOP-50-89-014
Audit of Price County, Wisconsin	TOP-50-89-015
Audit of the City of Columbus, Ohio	TOP-50-89-016
Audit of Sedgwick County, Kansas	TOP-50-89-017
Audit of Wayne County, Michigan	TOP-50-89-018
Audit of Michigan Department of Public Health	TOP-50-89-019

2/ Questioned Costs - $23,597

Audit of the Midstate Organized Crime Information Center	TRIG-50-89-001
Review of Settlement Proposal for Termination Costs Contract, Bannum, Inc. 3/	GR-50-89-017
Audit of the Institute for Non-Profit Management	TJF-80-89-003
Audit of the North Dakota Association of Counties	TJF-80-89-004
Audit of the Office of the Governor, Bismarck, North Dakota	TJP-80-89-003
Audit of the North Dakota State Penitentiary	TJP-80-89-004
Audit of the North Dakota's Workers Compensation Bureau	TJP-80-89-005
Audit of the Office of the Attorney General, State of South Dakota	TOP-80-89-009
Audit of the State of Colorado	TOP-80-89-010
Audit of the City of Riverton, Wyoming	TOP-80-89-011
Audit of the State Industrial School, North Dakota 4/	TOP-80-89-012
Audit of the Wyoming Department of Health and Social Services	TOP-80-89-013
Audit of the City of Colorado Springs, Colorado	TOP-80-89-014
Audit of the Police Management Association, Inc.	TJF-80-89-018
Audit of the National Center for State Courts 5/	TJF-20-89-019
Audit of the National Organization for Victim Assistance	TJF-20-89-020
Audit of the American Correctional Association	TJF-20-89-021
Audit of the National Center for Missing and Exploited Children 6/	TJF-20-89-022

3/ Questioned Costs - $45,627
Unsupported Costs - $30,461
4/ Questioned Costs - $2,626;
Unsupported Costs - $2,626
5/ Questioned Costs - $39,806
6/ Questioned Costs - $22,931

Audit of the American Jail Association	TJF-20-89-023
Audit of the Pretrial Services Resource Center	TJF-20-89-024
Audit of the Aspen Systems Corporation 7/	TJF-20-89-025
Audit of the National Organization of Black Law Enforcement Executives	TJF-20-89-026
Audit of the Criminal Justice Association, Inc.	TJF-20-89-027
Audit of National Center for Neighborhood Enterprises	TJF-20-89-028
Audit of the New York City Criminal Justice Agency	TJF-20-89-029
Audit of the Crime Control Institute	TJF-20-89-030
Audit of the Institute for Social Analysis	TJF-20-89-031
Audit of the Institute for Law and Justice, Inc.	TJF-20-89-032
Audit of the Commission on Accreditation for Law Enforcement Agencies, Inc.	TJF-20-89-034
Audit of the National Center for Neighborhood Enterprise	TJF-20-89-035
Audit of the Virginia Department of Criminal Justice Service	TJP-20-89-002
Audit of the Department of Workers' Compensation Industrial Commission of Virginia	TJP-20-89-003
Audit of the Congress National Black Churches	TJP-20-89-033
Audit of the Education Development Center, Inc.	TOF-20-89-002
Audit of the State of Maryland	TOP-20-89-014
Audit of the College of William and Mary, Virginia	TOP-20-89-015
Audit of County of Nassau, New York	TOP-20-89-016
Audit of the City of Baltimore, Maryland	TOP-20-89-017
Audit of Baltimore City Department of Education, Maryland	TOP-20-89-018

7/ Questioned Costs - $1,537;
Unsupported Costs - $1,505

Audit of the State of New Hampshire	TOP-20-89-019
Audit of the City of New Haven, Connecticut	TOP-20-89-020
Audit of the University of Maryland	TOP-20-89-021
Audit of the University of Maryland	TOP-20-89-022
Audit of the State of Vermont 8/	TOP-20-89-023
Audit of the City of Norfolk, Virginia	TOP-20-89-024
Audit of Washington County Commissioners, Maryland	TOP-20-89-026
Audit of Prince George's County, Maryland	TOP-20-89-025
Audit of Federal Financial Assistance Programs City of Waterbury, Connecticut	TOP-20-89-027
Audit of Maine Department of Human Services	TOP-20-89-028
Audit of the County of Middlesex, Massachusetts	TOP-20-89-029
Audit of the Commonwealth of Pennsylvania	TOP-20-89-030
Audit of Rhode Island and Providence Plantations	TOP-20-89-031
Audit of the County of Ocean, New Jersey	TOP-20-89-032
Audit of the State of Maine	TOP-20-89-033
Audit of The Leviticus Project Association, Inc.	TRIG-20-89-001
Audit of the Northeast State Police Intelligence Network	TRIG-20-89-002
Review of Indirect Cost Methodology, State Law Enforcement and Planning Agency, New Jersey Department of Law and Public Safety	GR-20-89-003
Indirect Cost Rate Application, National Council of Juvenile and Family Court Judges	TIC-90-89-052
Audit of the National Council of Juvenile and Family Court Judges	TJF-90-89-054
Audit of the National Casa Association	TJF-90-89-065
Audit of Ada County, Idaho	TJP-90-89-066
Audit of the State of Oregon	TOP-90-89-056

8/ Questioned Costs - $9,335

Audit of the City of Scottsdale, Arizona	TOP-90-89-057
Audit of the City of Los Angeles, California	TOP-90-89-058
Audit of the City of Oxnard, California	TOP-90-89-059
Audit of the American Samoa Government	TOP-90-89-060
Audit of the City and County of San Francisco, California	TOP-90-89-061
Audit of the Office of the Governor, State of Idaho	TOP-90-89-062
Audit of the County of Imperial, California	TOP-90-89-063
Audit of the American Samoa Government	TOP-90-89-064
Audit of the San Diego Association of Governments	TOP-90-89-067
Audit of the County of Sacramento, California	TOP-90-89-068
Audit of Clark County, Nevada	TOP-90-89-069
Audit of County of Spokane, Washington	TOP-90-89-070
Audit of Orange County, California	TOP-90-89-071
Audit of Clackamas County, Oregon	TOP-90-89-072
Audit of Multnomah County, Oregon	TOP-90-89-073
Audit of Concad, California	TOP-90-89-074
Audit of the City of Quard, California	TOP-90-89-075
Audit of Clallam County, Washington	TOP-90-89-076
Audit of the County of Fresno, California	TOP-90-89-077
Audit of the County of Alameda, California	TOP-90-89-079
Audit of Blaine County, Idaho 9/	TOP-90-89-080
Audit of the City of Portland, Oregon	TOP-90-89-081
Audit of the Rocky Mountain Information Network	TRIG-90-89-078

9/ Questioned Costs - $500;
Unsupported Costs - $500

TRUSTEE AUDIT REPORTS
Performed under a reimbursable agreement with the Executive Office for U.S. Trustees

Title/Report Number

Cash Management Review of Panel Trustee Jay E. Loeb	MR-40-89-002
Cash Management Review of Panel Trustee Douglas E. Wendel	MR-40-89-005
Cash Management Review of Panel Trustee James L. Drake	MR-40-89-006
Cash Management Review of Panel Trustee Ronald A. Mowrey	MR-40-89-007
Cash Management Review of Panel Trustee Milton G. Friedman	MR-40-89-008
Operational Survey of Panel Trustee T.W. Strickland	SR-40-89-005
Operational Survey of Panel Trustee Joseph R. Fritz	SR-40-89-007
Operational Survey of Panel Trustee William M. Foster	SR-40-89-008
Operational Survey of Panel Trustee Kyle R. Weems	SR-40-89-009
Operational Survey of Panel Trustee John P. Newton	SR-40-89-013
Operational Survey of Panel Trustee T. Larry Edmondson	SR-40-89-014
Operational Survey of Panel Trustee John R. Wilson	SR-40-89-015
Operational Survey of Panel Trustee John C. McLemore	SR-40-89-016
Operational Survey of Panel Trustee Jane B. Forbes	SR-40-89-017
Operational Survey of Panel Trustee Walter C. Drake	SR-40-89-018
Operational Survey of Panel Trustee Richard T. Doughtie, III	SR-40-89-019
Operational Survey of Panel Trustee Jacob Pongetti	SR-40-89-020
Operational Survey of Panel Trustee Charles A. Brewer	SR-40-89-021

Operational Survey of Panel Trustee Harvey S. Stanley, Jr.	SR-40-89-022
Operational Survey of Panel Trustee Susan M. Johnson	SR-40-89-023
Operational Survey of Panel Trustee Mark H. Flener	SR-40-89-024
Operational Survey of Panel Trustee Jary Nixon	SR-40-89-025
Operational Survey of Panel Trustee Thomas H. Dickenson	SR-40-89-026
Operational Survey of Panel Trustee Margaret B. Fugate	SR-40-89-027
Operational Survey of Panel Trustee John B. Schilling	SR-40-89-028
Operational Survey of Panel Trustee Freeman C. Marr	SR-40-89-029
Operational Survey of Panel Trustee Charles L. Freihofer	SR-40-89-030
Operational Survey of Panel Trustee J. James Rogan	SR-40-89-031
Operational Survey of Panel Trustee Edward Montedonico	SR-40-89-032
Operational Survey of Panel Trustee Steven Livingston	SR-40-89-033
Operational Survey of Panel Trustee Robert S. Murphee	SR-40-89-034
Operational Survey of Panel Trustee Kevin Campbell	SR-40-89-035
Operational Survey of Panel Trustee Sebastian Infanzon	SR-40-89-036
Chapter 12 Audit of Standing Trustee Walter W. Kelley	GR-40-89-004
Chapter 13 Audit of Standing Trustee Jerry A. Funk	GR-40-89-005
Chapter 13 Audit of Standing Trustee Valerie J. Hall	GR-40-89-006
Cash Management Review of Panel Trustee Patricia M. Gibeault	MR-50-89-025

Cash Management Review of Panel Trustee Edward F. Zappen	MR-50-89-026
Cash Management Review of Panel Trustee Jerry Armstrong	MR-50-89-027
Cash Management Review of Panel Trustee Gibson D. Karnes	MR-50-89-028
Cash Management Review of Panel Trustee Louis Levit	MR-50-89-029
Cash Management Review of Panel Trustee Erica Minchella	MR-50-89-030
Cash Management Review of Panel Trustee Paul Swanson	MR-50-89-031
Cash Management Review of Panel Trustee Joel Schechter	MR-50-89-032
Cash Management Review of Panel Trustee Leroy G. Inskeep	MR-50-89-033
Cash Management Review of Panel Trustee Joseph Cohen	MR-50-89-034
Cash Management Review of Panel Trustee J. Michael Morris	MR-50-89-035
Cash Management Review of Panel Trustee Mark Halverson	MR-50-89-036
Cash Management Review of Panel Trustee Wayne Drewes	MR-50-89-037
Cash Management Review of Panel Trustee Chris Henry	MR-50-89-038
Operational Survey of Panel Trustee F.H. Uhlig	SR-50-89-009
Operational Survey of Panel Trustee M.J. Walro	SR-50-89-010
Operational Survey of Panel Trustee Barry M. Barash	SR-50-89-011
Operational Survey of Panel Trustee Gordon E. Gouveia	SR-50-89-012
Operational Survey of Panel Trustee William Lasich	SR-50-89-013
Operational Survey of Panel Trustee Donald Samson	SR-50-89-014

Operational Survey of Panel Trustee James C. Cissell	SR-50-89-015
Operational Survey of Panel Trustee David R. Dubois	SR-50-89-016
Operational Survey of Panel Trustee Richard E. Barber	SR-50-89-017
Operational Survey of Panel Trustee Ronald J. Dosenbury	SR-50-89-018
Operational Survey of Panel Trustee James R. Kandel	SR-50-89-019
Operational Survey of Panel Trustee Richard C. Remes	SR-50-89-020
Operational Survey of Panel Trustee Paul Gilbert	SR-50-89-021
Operational Survey of Panel Trustee Saul Eisen	SR-50-89-022
Operational Survey of Panel Trustee Larry E. Staats	SR-50-89-023
Operational Survey of Panel Trustee Daniel Freeland	SR-50-89-024
Operational Survey of Panel Trustee Gerald E. Lindquist	SR-50-89-025
Operational Survey of Panel Trustee John J. Hunter	SR-50-89-026
Operational Survey of Panel Trustee David Whittaker	SR-50-89-027
Operational Survey of Panel Trustee Theodore M. Baehler	SR-50-89-028
Operational Survey of Panel Trustee James Hoerner	SR-50-89-029
Operational Survey of Panel Trustee Charles Taunt	SR-50-89-030
Operational Survey of Panel Trustee George Dakmak	SR-50-89-031
Operational Survey of Panel Trustee Marilyn Smith	SR-50-89-032
Operational Survey of Panel Trustee James Boyd	SR-50-89-033

Operational Survey of Panel Trustee Erlene Krigel	SR-50-89-034
Operational Survey of Panel Trustee Joseph H. Badami	SR-50-89-035
Operational Survey of Panel Trustee Paul E. Berman	SR-50-89-036
Operational Survey of Panel Trustee Carl Rafoth	SR-50-89-037
Operational Survey of Panel Trustee Gerald Barefield	SR-50-89-038
Operational Survey of Panel Trustee Bruce E. Strauss	SR-50-89-039
Operational Survey of Panel Trustee Thomas Carlson	SR-50-89-040
Operational Survey of Panel Trustee Joseph J. Stumpf	SR-50-89-041
Operational Survey of Panel Trustee Charles Rubin	SR-50-89-042
Operational Survey of Panel Trustee Kenneth Manning	SR-50-89-043
Operational Survey of Panel Trustee Curtis Mann	SR-50-89-044
Operational Survey of Panel Trustee A. Thomas Dewoskin	SR-50-89-045
Chapter 13 Audit of Standing Trustee G. Peter Johns 1/	GR-50-89-002
Chapter 13 Audit of Standing Trustee Donald Decker 2/	GR-50-89-005
Chapter 13 Audit of Standing Trustee Kenneth C. Meeker	GR-50-89-007
Chapter 13 Audit of Standing Trustee David Little	GR-50-89-006
Chapter 13 Audit of Standing Trustee Glenn Barmann 3/	GR-50-89-008

1/ Questioned Costs - $1,775;
Unsupported Costs - $1,775
2/ Funds Better Use - $1,478
3/ Questioned Costs - $49,189;
Unsupported Costs - $49,189

Chapter 13 Audit of Standing Trustee Donald M. Aikman	GR-50-89-009
Chapter 13 Audit of Standing Trustee Joseph Black	GR-50-89-010
Chapter 13 Audit of Standing Trustee John Germeraad	GR-50-89-011
Chapter 13 Audit of Standing Trustee James Geekie	GR-50-89-012
Chapter 12 Audit of Standing Trustee Edward J. Nazar	GR-50-89-013
Chapter 13 Audit of Standing Trustee David Rosenthal 4/	GR-50-89-014
Chapter 13 Audit of Standing Trustee Toby Rosen 5/	GR-50-89-015
Chapter 13 Audit of Standing Trustee Thomas G. Lovett	GR-50-89-016
Chapter 12 Audit of Standing Trustee William Chatterton	GR-50-89-018
Chapter 13 Audit of Standing Trustee Robert P. Musgrave 6/	GR-50-89-019
Cash Management Review of Panel Trustee Tualla Dupriest	MR-80-89-013
Chapter 13 Audit of Standing Trustee Tedd E. Mishler 7/	GR-50-89-020
Cash Management Review of Panel Trustee Bruce Bernstein	MR-80-89-015
Cash Management Review of Panel Trustee Paul DeBaillon	MR-80-89-016
Cash Management Review of Panel Trustee Barry Kuperman	MR-80-89-017
Operational Survey of Panel Trustee Walter Kellogg	SR-80-89-033
Operational Survey of Panel Trustee Gary Barney	SR-80-89-035

4/ Questioned Costs - $1,000
5/ Questioned Costs - $3,500;
Unsupported Costs - $3,500
6/ Questioned Costs - $8,976;
Unsupported Costs - $8,976
7/ Questioned Costs - $1,099,311;
Unsupported Costs - $1,099,311

Operational Survey of Panel Trustee Linda Petrino	SR-80-89-037
Operational Survey of Panel Trustee Terry F. Hessick	SR-80-89-038
Operational Survey of Panel Trustee Jack Cornelius	SR-80-89-039
Operational Survey of Panel Trustee Thomas R. Willson	SR-80-89-040
Operational Survey of Panel Trustee Leslie C. King	SR-80-89-041
Operational Survey of Panel Trustee James Patten	SR-80-89-042
Operational Survey of Panel Trustee Carl A. Dengel	SR-80-89-043
Operational Survey of Panel Trustee John Luster	SR-80-89-045
Operational Survey of Panel Trustee Sidney K. Swinson	SR-80-89-046
Operational Survey of Panel Trustee Richard Samson	SR-80-89-047
Operational Survey of Panel Trustee Kevin Wiley	SR-80-89-048
Operational Survey of Panel Trustee Patrick Malloy	SR-80-89-049
Operational Survey of Panel Trustee Fred W. Huenefeld, Jr.	SR-80-89-050
Operational Survey of Panel Trustee Claude R. Smith	SR-80-89-051
Operational Survey of Panel Trustee Lowell Cage	SR-80-89-052
Operational Survey of Panel Trustee Robert Marrero	SR-80-89-053
Operational Survey of Panel Trustee J.M. Hill	SR-80-89-054
Operational Survey of Panel Trustee Ronald Sommers	SR-80-89-055
Operational Survey of Panel Trustee Janet Casciato	SR-80-89-057

Operational Survey of Panel Trustee Bruce L. Hussey	SR-80-89-058
Operational Survey of Panel Trustee Joseph M. Ingram	SR-80-89-059
Operational Survey of Panel Trustee John Jarboe	SR-80-89-060
Operational Survey of Panel Trustee Kenneth Holt	SR-80-89-061
Operational Survey of Panel Trustee Robbye Waldron	SR-80-89-062
Operational Survey of Panel Trustee Gary Knostman	SR-80-89-063
Operational Survey of Panel Trustee Harvey Caughey	SR-80-89-064
Operational Survey of Panel Trustee W. Steve Smith	SR-80-89-065
Operational Survey of Panel Trustee Ben Floyd	SR-80-89-066
Operational Survey of Panel Trustee William Barry Phillips	SR-80-89-067
Operational Survey of Panel Trustee Richard Smith	SR-80-89-068
Operational Survey of Panel Trustee Donald Leslie	SR-80-89-069
Operational Survey of Panel Trustee Randolph Osherow	SR-80-89-070
Operational Survey of Panel Trustee Martin Seidler	SR-80-89-071
Operational Survey of Panel Trustee William R. Wright	SR-80-89-073
Operational Survey of Panel Trustee Richard L. Ramsey	SR-80-89-074
Operational Survey of Panel Trustee Samera Abide	SR-80-89-075
Operational Survey of Panel Trustee Byron R. Kantrow, Jr.	SR-80-89-076
Operational Survey of Panel Trustee Baldemor Cano, Jr.	SR-80-89-077

Operational Survey of Panel Trustee James Brown	SR-80-89-078
Operational Survey of Panel Trustee William Gibson	SR-80-89-079
Operational Survey of Panel Trustee Craig Martinson	SR-80-89-080
Operational Survey of Panel Trustee James R. Chapman, Jr.	SR-80-89-081
Operational Survey of Panel Trustee James O. Cox	SR-80-89-082
Operational Survey of Panel Trustee Nelson Hensley	SR-80-89-083
Operational Survey of Panel Trustee Will Thistlethwaite	SR-80-89-084
Operational Survey of Panel Trustee Harold V. Dye	SR-80-89-085
Operational Survey of Panel Trustee Charles Davidson	SR-80-89-086
Operational Survey of Panel Trustee Ben Barry	SR-80-89-087
Operational Survey of Panel Trustee Mark Rice	SR-80-89-088
Chapter 12 Audit of Standing Trustee Barbara Richman	GR-80-89-002
Chapter 12 Audit of Standing Trustee Thomas Pokela	GR-80-89-003
Chapter 12 Audit of Standing Trustee Rick Yarnall	GR-80-89-004
Chapter 12 Audit of Standing Trustee Dunlap and Caughlan, P.C.	GR-80-89-005
Chapter 13 Audit of Standing Trustee Steve Mazer	GR-80-89-006
Chapter 12 Audit of Standing Trustee Philip Armstrong	GR-80-89-007
Chapter 12 Audit of Standing Trustee Walter O'Cheskey	GR-80-89-008
Cash Management Review of Panel Trustee Edwin R. Ilardo	MR-20-89-029

Cash Management Review of Panel Trustee Richard Coan	MR-20-89-030
Cash Management Review of Panel Trustee Lee E. Woodard	MR-20-89-031
Cash Management Review of Panel Trustee Randy J. Schaal	MR-20-89-032
Cash Management Review of Panel Trustee Michael J. Macco	MR-20-89-033
Cash Management Review of Panel Trustee Kenneth Kirschenbaum	MR-20-89-034
Cash Management Review of Panel Trustee Nathan M. Goldberg	MR-20-89-035
Cash Management Review of Panel Trustee James A. Prostko	MR-20-89-036
Cash Management Review of Panel Trustee John H. Doran	MR-20-89-037
Cash Management Review of Panel Trustee Michael J. Robinson	MR-20-89-038
Cash Management Review of Panel Trustee Leo F. Doyle	MR-20-89-039
Cash Management Review of Panel Trustee Joseph J. Bernstein	MR-20-89-040
Cash Management Review of Panel Trustee Barry W. Frost	MR-20-89-041
Cash Management Review of Panel Trustee Stephen Raslavich	MR-20-89-042
Cash Management Review of Panel Trustee Thomas P. Agresti	MR-20-89-043
Cash Management Review of Panel Trustee William F.E. Pineo	MR-20-89-044
Cash Management Review of Panel Trustee Robert O. Lampl	MR-20-89-045
Cash Management Review of Panel Trustee Stephen G. Bresset	MR-20-89-046
Cash Management Review of Panel Trustee Brian S. Thomas	MR-20-89-047
Cash Management Review of Panel Trustee Joseph M. Weinberg	MR-20-89-048

Cash Management Review of Panel Trustee John Sywilok	MR-20-89-049
Cash Management Review of Panel Trustee Jan G. Sulcove	MR-20-89-050
Cash Management Review of Panel Trustee Kim M. Vandermeulen	MR-20-89-051
Cash Management Review of Panel Trustee Joseph D. Marchand	MR-20-89-052
Cash Management Review of Panel Trustee Barbara M. Theberge	MR-20-89-053
Cash Management Review of Panel Trustee Stephen W. Spence	MR-20-89-054
Cash Management Review of Panel Trustee Joseph G. Butler	MR-20-89-055
Cash Management Review of Panel Trustee Kathleen Dwyer	MR-20-89-056
Cash Management Review of Panel Trustee Andre' L. Kydala	MR-20-89-057
Cash Management Review of Panel Trustee Steven Weiss	MR-20-89-058
Cash Management Review of Panel Trustee Alan Michael Seltzer	MR-20-89-059
Cash Management Review of Panel Trustee Gary Cruickshank	MR-20-89-060
Cash Management Review of Panel Trustee Raymond Diaz	MR-20-89-061
Cash Management Review of Panel Trustee David Stratton	MR-20-89-062
Chapter 13 Audit of Standing Trustee Charles J. DeHart, III [8]	GR-20-89-002
Cash Management Review of Panel Trustee Martin Rechnitzer	MR-90-89-006
Cash Management Review of Panel Trustee James Joseph	MR-90-89-011
Operational Survey of Panel Trustee Harold S. Taxel	SR-90-89-009

[8] Questioned Costs - $8,787;
Unsupported Costs - $8,787

Operational Survey of Panel Trustee Richard A. Peterson	SR-90-89-010
Operational Survey of Panel Trustee Ralph O. Boldt	SR-90-89-011
Operational Survey of Panel Trustee John M. England	SR-90-89-012
Operational Survey of Panel Trustee Richard Kennedy	SR-90-89-013
Operational Survey of Panel Trustee Robert Matsumoto	SR-90-89-014
Operational Survey of Panel Trustee Edward Stanley	SR-90-89-015
Operational Survey of Panel Trustee Wyman Lai	SR-90-89-016
Operational Survey of Panel Trustee Aaron A. Lee	SR-90-89-017
Operational Survey of Panel Trustee Cherylle Morrow	SR-90-89-018
Operational Survey of Panel Trustee Paula S. Sakuda	SR-90-89-019
Operational Survey of Panel Trustee Stanley E. Silva	SR-90-89-021
Operational Survey of Panel Trustee Ida A. Russell	SR-90-89-022
Operational Survey of Panel Trustee James M. Ford	SR-90-89-023
Operational Survey of Panel Trustee Frank Lang	SR-90-89-024
Operational Survey of Panel Trustee John Billmeyer	SR-90-89-025
Operational Survey of Panel Trustee Lloyd W. Wilson	SR-90-89-026
Operational Survey of Panel Trustee Marie Nolden Hull	SR-90-89-027
Operational Survey of Panel Trustee Richard Spear	SR-90-89-028
Operational Survey of Panel Trustee Jerome Robertson	SR-90-89-029

Operational Survey of Panel Trustee Raymond A. Carey	SR-90-89-030
Operational Survey of Panel Trustee Jack G. Penick	SR-90-89-031
Operational Survey of Panel Trustee Robert Busch	SR-90-89-032
Operational Survey of Panel Trustee James D. Fox	SR-90-89-033
Operational Survey of Panel Trustee Walter T. Thompson	SR-90-89-034
Operational Survey of Panel Trustee Stanley Fogler	SR-90-89-035
Operational Survey of Panel Trustee Alan R. Solot	SR-90-89-036
Operational Survey of Panel Trustee Bruce Bridegroom	SR-90-89-037
Operational Survey of Panel Trustee Alvin Jerman	SR-90-89-038
Operational Survey of Panel Trustee Absalom Valenzuela	SR-90-89-039
Operational Survey of Panel Trustee L.P. VonEberstein	SR-90-89-040
Operational Survey of Panel Trustee Wenda Shalby	SR-90-89-041
Operational Survey of Panel Trustee Claude Pitrat	SR-90-89-042
Operational Survey of Panel Trustee Kathryn A. Riser	SR-90-89-043
Operational Survey of Panel Trustee Donald Scoville	SR-90-89-044
Operational Survey of Panel Trustee Robert Vucurevich	SR-90-89-045
Operational Survey of Panel Trustee Stanley Swaine	SR-90-89-046
Operational Survey of Panel Trustee Rhonda Repp	SR-90-89-047
Operational Survey of Panel Trustee Edward M. Walsh	SR-90-89-048

Operational Survey of Panel Trustee William S. Weinstein	SR-90-89-049
Operational Survey of Panel Trustee Roy W. Kent	SR-90-89-050
Operational Survey of Panel Trustee J.F. Fliegel	SR-90-89-051
Operational Survey of Panel Trustee Richard H. Brooks	SR-90-89-052
Operational Survey of Panel Trustee Dan O'Rourke	SR-90-89-053
Operational Survey of Panel Trustee David Swayne	SR-90-89-054
Operational Survey of Panel Trustee Vannay Culpepper	SR-90-89-055
Operational Survey of Panel Trustee Alexander Bishop	SR-90-89-056
Operational Survey of Panel Trustee Thomas G. Marks	SR-90-89-057
Operational Survey of Panel Trustee John Mitchell	SR-90-89-058
Operational Survey of Panel Trustee James McCoy	SR-90-89-059
Operational Survey of Panel Trustee Berne Rakozy	SR-90-89-060
Operational Survey of Panel Trustee Gordon Zerbetz	SR-90-89-061
Operational Survey of Panel Trustee Mark D. Weber	SR-90-89-062
Operational Survey of Panel Trustee Denis Geil	SR-90-89-063
Operational Survey of Panel Trustee Angelique Clark	SR-90-89-064
Operational Survey of Panel Trustee Barry Solomon	SR-90-89-065
Operational Survey of Panel Trustee Berkley Bunker	SR-90-89-066
Operational Survey of Panel Trustee Glen Nelson	SR-90-89-067

Operational Survey of Panel Trustee Ray Farrer	SR-90-89-068
Chapter 13 Audit of Standing Trustee Jim D. Smith	GR-90-89-001

THURSDAY, MARCH 22, 1990.

OFFICE OF JUSTICE PROGRAMS

WITNESSES

CLIFFORD J. WHITE III, DEPUTY ASSISTANT ATTORNEY GENERAL, OFFICE OF JUSTICE PROGRAMS

PHYLLIS M. BLACK, DIRECTOR, BUDGET STAFF, OFFICE OF JUSTICE PROGRAMS

MICHAEL J. ROPER, DEPUTY ASSISTANT ATTORNEY GENERAL, CONTROLLER

ADRIAN A. CURTIS, DIRECTOR, BUDGET STAFF

OFFICE OF JUSTICE PROGRAMS REQUEST

Mr. SMITH. Continuing with our review of the Department of Justice, we will now hear testimony from the Office of Justice Programs. The fiscal year 1991 request of the Office of Justice Programs is $587,515,000.

We will insert in the record at this point the Office's fiscal year 1991 budget justification.

[The justifications follow:]

Department of Justice

Office of Justice Programs

Estimates for Fiscal Year 1991

Table of Contents

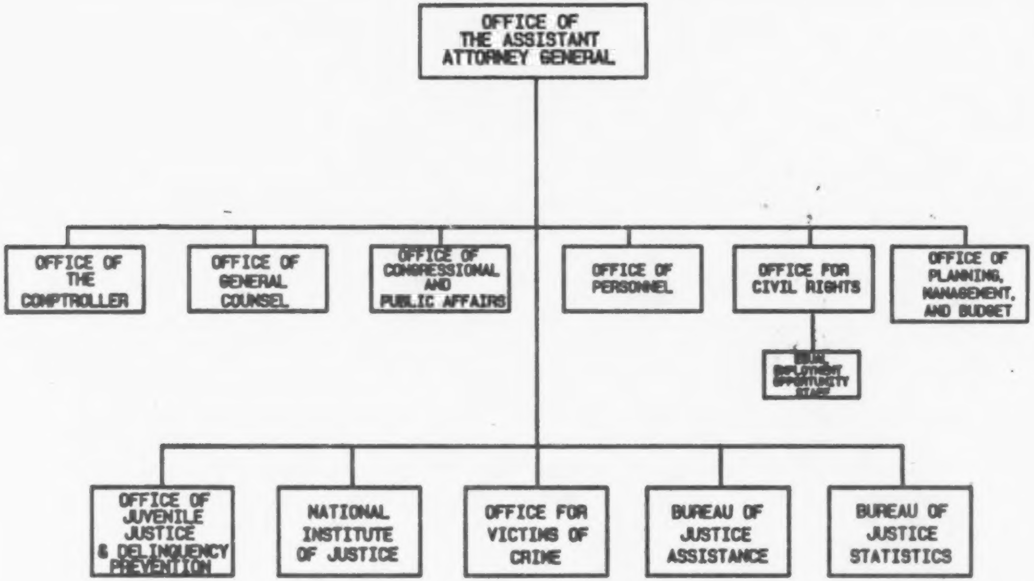
Page Number

Organization Chart........ 1
Summary Statement........ 2
Justification of Proposed Changes in Appropriation Language........ 6
Crosswalk of 1990 Changes........ 8
Summary of Requirements........ 9
Summary of Resources by Program........ 10

Justification of Program and Performance:

  Research, Evaluation, and Demonstration Programs........ 11
  Criminal Justice Statistical Programs........ 18
  State and Local Assistance........ 24
  Emergency Assistance........ 25
  Juvenile Justice Programs........ 26
  Missing Children........ 30
  Mariel Cubans........ 33
  Crime Control Programs........ 34
  Regional Information Sharing System........ 34
  Anti-Drug Abuse Program........ 36
  Management and Administration........ 39
Financial Analysis - Program Changes........ 45
Status of Congressionally Requested Studies, Reports and Evaluations........ 47
Priority Ranking........ 49
Detail of Permanent Positions by Category........ 50
Summary of Change........ 51
Justification of Adjustments to Base........ 52
Summary of Requirements by Grade and Object Class........ 54
Consulting and Related Services........ 56

OFFICE OF JUSTICE PROGRAMS


OFFICE OF THE ASSISTANT ATTORNEY GENERAL
OFFICE OF THE COMPTROLLER
OFFICE OF GENERAL COUNSEL
OFFICE OF CONGRESSIONAL AND PUBLIC AFFAIRS
OFFICE OF PERSONNEL
OFFICE FOR CIVIL RIGHTS
OFFICE OF PLANNING, MANAGEMENT, AND BUDGET
EQUAL EMPLOYMENT OPPORTUNITY STAFF
OFFICE OF JUVENILE JUSTICE & DELINQUENCY PREVENTION
NATIONAL INSTITUTE OF JUSTICE
OFFICE FOR VICTIMS OF CRIME
BUREAU OF JUSTICE ASSISTANCE
BUREAU OF JUSTICE STATISTICS

Edwin Meese III
EDWIN MEESE III
Attorney General

15 Jul 88
DATE

Office of Justice Programs

Justice Assistance

Summary Statement

Fiscal Year 1991

The Office of Justice Programs is requesting, for 1991, a total of $587,515,000, 345 permanent positions, and 345 workyears. This request represents a decrease of $26,775,000, seven positions, and seven workyears from the 1990 appropriation enacted.

Budget authority is requested for six missions: Research, Evaluation, and Demonstration programs, which conduct research into all aspects of the criminal justice system; Criminal Justice Statistical programs, which provide statistical information dealing with crime and the operation of the criminal justice system at all levels of government; a Juvenile Justice program targeted at high risk youth; the Missing Children program to combat the criminal and sexual exploitation of children; the Regional Information Sharing System program that aids State and local agencies in addressing select, multijurisdictional crimes; and the Anti-Drug Abuse program that enhances State and local efforts to control drug use and drug-related crime and the improvement of the criminal justice system.

Research, Evaluation, and Demonstration Programs

The National Institute of Justice (NIJ) is the principal sponsor of research and development on crime and the criminal justice system in the United States. Its mandate includes broad responsibility for research aimed at improving crime control and crime prevention at the State and local levels of government, in addition to the Federal level. NIJ conducts: 1) a core research program directed at discovering the causes and control of crime and improvement of criminal justice system practices; 2) a development program designed to translate policy-relevant research findings into practical programs and policies for use by criminal justice agencies; 3) a forensics and criminal justice technology program to aid law enforcement in solving crime; 4) the world's largest national and international computerized information service for use by practitioners, policymakers, and researchers; and 5) a multi-media dissemination program to get important research findings and criminal justice program information to criminal justice officials and the academic community as soon as possible. An increase of $1,758,000 is requested for the development of an operational Less-Than-Lethal Weapon. This initiative, requested in 1990 but only partially funded, was begun in an effort to develop an alternative to handguns in order to save the lives of police officers. (Between 1978 and 1987, 855 police officers and almost 3,000 suspects were killed during confrontations.) The development of such a weapon would also help avoid expensive legal judgments in wrongful death law suits and aid police officers in the apprehension of fleeing suspects.

Criminal Justice Statistical Programs

The Bureau of Justice Statistics (BJS) is responsible for all of the major national statistical series and other sources of data concerning crime and criminal justice with the sole exception of the FBI's Uniform Crime Reports. The mission of the Bureau is twofold: to provide senior officials of the Justice Department, the White House, the Congress, the Judiciary, and the public with valid and timely justice data and analyses relevant to policy decisions; and to support the emerging capacity of State and local governments to use data as a cornerstone of their criminal justice programs. For 1991, anincrease of $1,911,000 is requested for three initiatives. The comprehensive data base of drug and gun related crimes would be initiated at a cost of $1,100,000. This program will collect information through both existing BJS-sponsored criminal justice surveys and other new data collection efforts. Information to be collected will include: the relationship of drug use to crime and the use of firearms during the commission of crimes; the tracking of drug offenders from arrest through court disposition; examination of the criminal histories of drug offenders; and a full range of drug policy issues related to law enforcement resources. In 1991, the entire $1,100,000 amount will be used for the Quinquennial National Survey of Prison Inmates, the fourth State prison inmate survey BJS has conducted since 1974 and the only source of national level data on prison inmates. BJS plans to conduct this survey in conjunction with a similar survey being carried out with Federal inmates. The second initiative is an increase of $476,000 for implementation of the National Crime Survey (NCS) Redesign. The redesigned survey will more fully measure the number of crimes of which Americans are victims, including rapes, family violence, and crimes against the household, with vandalism being measured for the first time. The additional and more detailed questions being introduced are expected to increase reporting of some crimes to survey interviewers by as much as 25%. The third initiative is an increase of $335,000 to enhance the BJS Federal Integrated Data Base, which is a Federal criminal justice statistics program. This enhancement will allow the collection of more timely and comprehensive data on the processing of offenders, with particular emphasis on drug offenders. This system is unprecedented because it links data from a variety of offices and bureaus within the Department of Justice in order to track offenders through the Federal system. Last year, funds were requested for the second and third initiatives in the 1990 President's budget, but were not provided in the appropriation.

State and Local Assistance

The Bureau of Justice Assistance (BJA) administers this program that was established by the Justice Assistance Act to provide financial and technical assistance programs for States and localities to improve operations of criminal justice systems. Both a block grant program and a discretionary program were established by the Act, however, block grant funds have not been provided since 1987 and most of the discretionary funds appropriated in 1988 and 1989 were earmarked by Congress for specific projects. No funds are requested for the State and Local Assistance program in 1991. With passage of the Anti-Drug Abuse Act of 1988, the purposes of this program are now encompassed within the Anti-Drug Abuse program.

Emergency Assistance

This program offers a Federal response to situations of an emergency nature that exceed the capacity of local law enforcement resources. The legislation authorizes the provision of funds, equipment, training, intelligence information, and personnel to a State in the event of a law enforcement emergency. No funds are requested for this program in 1991. The 1990 appropriation was provided specifically to address needs arising from Hurricane Hugo and the earthquake in California.

Juvenile Justice Programs

Currently, this program provides funds to States and localities for juvenile justice and delinquency projects in the areas of education, training, research, prevention, treatment, and rehabilitation. The major thrust of the program has been to attain deinstitutionalization of status offenders and the separation of juvenile and adult offenders at the State and local levels. Since 1975, over one billion dollars has been made available for the various programs authorized by the Juvenile Justice and Delinquency Prevention Act and much has been accomplished in those sixteen years. In the absence of Federal funding, we believe that the States currently participating in the program would continue to commit their resources to those programs that have proven successful. Accordingly, for 1991 we are proposing a program that is directed solely at high risk youth. The 1991 request is a decrease of $61,905,000, which will leave $7,500,000 for the Office of Juvenile Justice and Delinquency Prevention (OJJDP) to continue its High Risk Youth program, which addresses the problems with gangs and drugs and their relationship with the juvenile justice system. Also, we are proposing that grant recipients contribute a hard cash match of 50 percent of total project costs. No new legislation will be needed since the Juvenile Justice and Delinquency Prevention Act specifically addresses such high risk youth factors as juvenile gangs, youth drug and alcohol use, weakened family structure, and school drop-outs. The program is directed at youth and teenagers who, because of certain characteristics or conditions, are especially likely to use illegal drugs and/or alcohol. The program priorities focus upon preventing involvement in illegal drug use and trafficking, strengthening families, and mobilizing communities to implement comprehensive strategies for high risk youth. Under the auspices of the Coordinating Council on Juvenile Justice and Delinquency Prevention, OJJDP already has the means with which to coordinate the activities of all agencies involved in any high risk youth initiative.

Missing Children

This program was first authorized and funded by Congress in 1985. Funds are used to combat the criminal and sexual exploitation of children by assisting families, citizen groups, law enforcement agencies and government institutions in a national effort to ensure the safety and protection of children. A program increase of $4,000,000 is requested for this program in 1991 to enhance the efforts of State and local communities in responding to missing and exploited children issues. Activities that will be funded include direct assistance in planning and program development and developing and disseminating policies, procedures, and programmatic information related to search teams, investigations, crisis intervention activities, and reunification of youth with their families.

Mariel Cubans

Since 1985, Congress has annually appropriated about $5,000,000 to reimburse States for part of the costs of incarcerating Mariel Cubans who had been originally paroled by the Federal government and have since committed State offenses. No funds are requested for 1991 since the program is not of sufficient priority to command a share of the limited funds that are available.

Regional Information Sharing System

This activity provides funds to maintain six regionally based information sharing centers throughout the United States that service State and local law enforcement agencies in addressing major, multi-jurisdictional crimes. The program encourages and facilitates the rapid but controlled exchange and sharing of information pertaining to known or suspected criminals or criminal activity among State and local law enforcement agencies and enhances coordination and communication among agencies in pursuit of criminal activity determined to be multijurisdictional in nature. Funds also support LEVITICUS, which is a consortium of 28 agencies in nineteen States that focus primarily on crimes, particularly fraud, related to energy industries. A program level of $9,750,000 is requested for 1991, which is $3,652,000 less than the 1990 appropriation. Since States and localities are the primary beneficiaries of this program, they should contribute resources. We are proposing that program participants provide a 25 percent hard cash match of the total program costs. The requested amount, combined with the cash match, would provide a $13,000,000 total program level.

Anti-Drug Abuse Program

An increase of $45,263,000 is requested for this program for 1991. The program was first authorized by the Anti-Drug Abuse Act of 1986 to assist State and local governments in their drug control and enforcement efforts. Amendments to the program were enacted in the Anti-Drug Abuse Act of 1988 to incorporate efforts to improve functioning of the criminal justice system, with emphasis on violent crime. The program offers a comprehensive, coordinated approach to the nationwide drug problem. It enables State and local units of government to attack their drug control problems while also contributing to and supporting national drug control approaches, making them partners with the Federal government in the war on drugs. For example, hundreds of multijurisdictional task forces are supported with these funds. Because of the combined participation of Federal agencies, these task forces expand the nationwide ability to disrupt drug trafficking. The program also raises the quality of drug enforcement efforts by transferring new technologies and the training of State and local personnel in areas such as financial investigations, seizure and forfeiture of assets, and upgrading crime laboratories. These special skills are needed to apply new technologies and laws related to investigation, prosecution, punishment, and treatment of drug crimes and offenders. The additional funds requested for 1991 will allow State and local units of government to expand and enhance their drug control activities.

Management and Administration

This activity provides for the executive direction and control of the National Institute of Justice, the Bureau of Justice Statistics, the Bureau of Justice Assistance, the Office of Juvenile Justice and Delinquency Prevention, the Office for Victims of Crime, and the Office of Justice Programs, as well as policy coordination and the full range of management responsibilities. The request of $24,719,000, 345 positions, and 345 workyears represents a net decrease of $398,000, seven positions, and seven workyears below the 1991 base level. Included in the request is an increase of $52,000 for migration of the Office of Justice Programs accounting system to the Justice Department's Financial Management Information System, to achieve the uniform accounting system requirements as specified in A-127. In addition, one position is requested for the National Institute of Justice to conduct major developmental work for the Less-Than-Lethal Weapons program and one position is requested to allow the Bureau of Justice Statistics to support the expanded Federal Integrated Data Base. A reduction of $450,000, nine positions and nine workyears is requested for the Office of Juvenile Justice and Delinquency Prevention (OJJDP). This sum represents the net effect of a decrease of sixteen positions and FTE for the phase-out of traditional Juvenile Justice programs, offset by the retention of seven positions and workyears that are needed to develop, implement, and administer the proposed High Risk Youth program.

Office of Justice Programs
Justice Assistance
Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Justice Assistance

For grants, contracts, cooperative agreements, and other assistance authorized by [title I of] the Omnibus Crime Control and Safe Streets Act, of 1968[, as amended, and the Missing Children's Assistance Act], as amended by the Anti-Drug Abuse Act of 1988, including salaries and expenses in connection therewith, [$90,783,000], to remain available until expended, [as authorized by section 6093 and 7289 of Public Law 100-690 (102 Stat. 4339-4340 and 4461)]

[In addition, for grants, contracts, cooperative agreements, and other assistance authorized by parts D and E of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, for the Edward Byrne Memorial State and Local Law Enforcement Assistance Programs, including salaries and expenses in connection therewith, $150,000,000, to remain available until expended as authorized by section 6093 of Public Law 100-690 (102 Stat. 4339-4340)]

[In addition, for grants, contracts, cooperative agreements, and other assistance authorized by title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and expenses in connection therewith, $64,193,000, to remain available until expended as authorized by section 7265 of Public Law 100-690 (102 Stat. 4448 and 4449), of which $350,000 is for expenses authorized by section 241(f) of part C of title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, and of which $2,000,000 is for expenses authorized by part D of title II of said Act.]

[In addition, $5,000,000 for the purpose of making grants to States for their expenses by reason of Mariel Cubans having to be incarcerated in State facilities for terms requiring incarceration for the full period October 1, 1989, through September 30, 1990, following their conviction of a felony committed after having been paroled into the United States by the Attorney General: Provided, That wiehin thirty days of enactment of this Act the Attorney General shall announce in the Federal Register that this appropriation will be made available to the States whose Governors certify by February 1, 1990, a listing of names of such Mariel Cubans incarcerated in their respective facilities: Provided further, That the Attorney General, not later than April 1, 1990, will complete his review of the certified listings of such incarcerated Mariel Cubans, and make grants to the States on the basis that the certified number of such incarcerated persons in a State bears to the total certified number of such incarcerated persons: Provided further, That the amount of reimbursements per prisoner per annum shall not exceed $12,000.]

and the Juvenile Justice and Delinquency Prevention Act of 1974

$587,515,000

of which $7,500,000 is provided for purposes set forth in sections 204, 243, 244 and 261 of the Juvenile Justice and Delinquency Prevention Act, notwithstanding the allocation and match provisions of sections 222, 261, 291, and 295 of such Act: Provided, That grants made under sections 204, 243, 244 and 261 of the Juvenile Justice and Delinquency Prevention Act may not be expended for more than 50 percent of the total approved project cost; and of which $9,750,000 is provided for purposes set forth in title I, Part M of the Omnibus Crime Control and Safe Streets Act: Provided, That grants and cooperative agreements awarded under Part M for intelligence and enforcement projects may not be expended for more than 75 percent of the total approved project cost.

(Department of Justice Appropriations Act, 1990.)

Office of Justice Programs
Justice Assistance
Justification of Proposed Changes in Appropriation Language (Continued)

Justice Assistance

[To fight the war on drugs, $308,821,000, to remain available until expended; of which $300,000,000 is for the Edward Byrne Memorial State and Local Law Enforcement Assistance Programs for State and local agencies to improve efforts in street-level and community-based drug law enforcement efforts; and of which $8,821,000 is for the Juvenile Justice and Delinquency Prevention Program in order to improve programs for the prevention, intervention and treatment of juvenile crime, especially where it relates to youth gangs and drugs.]

(Department of Transportation and Related Agencies Appropriations Act, 1990.)

Explanation of Changes:

1. The first change clarifies references to authorizing legislation so that the appropriated amount will include all program and all administrative funds that are provided in the Justice Assistance account. Proposed language will encompass authority for all programs, eliminating the need for references to title I and the Missing Children's Assistance Act.

2. The second change adds language for the following: To permit the use of $7,500,000 for a Juvenile Justice High Risk Youth discretionary program and require a 50 percent match for grant projects; and to provide a requirement of 25 percent match for the Regional Information Sharing System program.

3. The third change deletes unnecessary language for the Edward Byrne Memorial State and Local Law Enforcement Assistance program and the Juvenile Justice program. The Mariel Cuban program is also deleted since no funds are requested for 1991.

4. The fourth change deletes language for the Department of Transportation appropriation that is unnecessary in 1991.

Office of Justice Programs
Justice Assistance
Crosswalk of 1990 Changes
(Dollars in thousands)

Activity/Program	1990 President's Budget Request Pos.	WY	Amount	Congressional Appropriation Actions on 1990 Request Pos.	WY	Amount	1990 Sequestration Pos.	WY	Amount	Reprogrammings Pos.	WY	Amount	1990 Appropriation Anticipated Pos.	WY	Amount
1. Research, Evaluation and Demonstration Programs	...	...	$24,691	...	...	-$1,758	...	...	-$167	...	...	...	...	...	$22,766
2. Criminal Justice Statistical Programs	...	...	22,449	...	...	-1,417	...	...	-153	...	...	...	...	...	20,879
3. State and Local Assistance	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
4. Emergency Assistance	...	...	...	...	...	10,000	...	...	-73	...	...	...	...	...	9,927
5. Juvenile Justice Programs	...	...	...	...	...	69,914	...	...	-509	...	...	...	...	...	69,405
6. Missing Children	...	...	4,200	...	...	-200	...	...	-29	...	...	...	...	...	3,971
7. Public Safety Officers' Benefits Program	...	...	25,000	...	...	-25,000	...	...	...	...	...	...	...	...	...
8. Mariel Cubans	...	...	...	...	...	5,000	...	...	-37	...	...	...	...	...	4,963
9. Crime Control	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
10. Regional Information Sharing System	...	...	...	...	...	13,500	...	...	-98	...	...	...	...	...	13,402
11. Anti-Drug Abuse Program	...	...	348,500	...	...	99,500	...	...	-3,263	...	...	...	...	...	444,737
12. Management and Administration	324	332	21,413	28	20	3,005	...	...	-178	...	...	...	352	352	24,240
Total	324	332	446,253	28	20	172,544	...	...	-4,507	...	...	...	352	352	614,290

Congressional Appropriation Action. Funding was reduced for the Research, Evaluation, and Demonstration program and the Criminal Justice Statistical program. Funding was included for the Emergency Assistance program to provide $5,000,000 to the localities affected by Hurricane Hugo and $5,000,000 to the localities affected by the October 17, 1989 earthquake in California. Congress restored $69,914,000 for the Juvenile Justice program of which $2 million is Part D Gangs. Funding was reduced for the Missing Children program. Funding for the Public Safety Officers' Benefits program in 1990 was established in a new current indefinite account within OJP, which was offset by its elimination from the "Justice Assistance" account. Congress restored $5,000,000 for the Mariel Cuban program and $13,500,000 for the Regional Information Sharing System program. Congress also provided an increase of $99,500,000 for the Anti-Drug Abuse program and an increase of $3,005,000 for Management and Administration.

1990 Sequestration. In accordance with P.L. 101-239, the Omnibus Budget Reconciliation Act of 1989, an across-the-board reduction was applied to OJP's programs.

Office of Justice Programs
Justice Assistance
Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
Department of Justice Appropriation Act, 1990	...	...	$309,976
Department of Transportation Appropriations Act, 1990, - Emergency Drug Funding	...	...	308,821
1990 enacted	352	352	618,797
1990 Sequestration	...	...	- 4,507
1990 appropriation anticipated	352	352	614,290
Mandatory increases	...	...	1,402
Decreases	...	...	-10,191
1991 base	352	352	605,501

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Research, Evaluation, and Demonstration Programs	...	...	$22,766	...	...	$22,766	...	...	$24,524	...	...	$1,758
2. Criminal Justice Statistical Programs	...	...	20,879	...	...	21,140	...	...	23,051	...	...	1,911
3. State and Local Assistance	...	...	...	...	...	...	...	...	...	...	...	...
4. Emergency Assistance	...	...	9,927	...	...	...	...	...	...	...	...	...
5. Juvenile Justice Programs	...	...	69,405	...	...	69,405	...	...	7,500	...	...	-61,905
6. Missing Children	...	...	3,971	...	...	3,971	...	...	7,971	...	...	4,000
7. Public Safety Officers' Benefits Program	...	...	...	...	...	...	...	...	...	...	...	...
8. Mariel Cubans	...	...	4,963	...	...	4,963	...	...	...	...	...	-4,963
9. Crime Control Programs	...	...	...	...	...	...	...	...	...	...	...	...
10. Regional Information Sharing System	...	...	13,402	...	...	13,402	...	...	9,750	...	...	-3,652
11. Anti-Drug Abuse Program	...	...	444,737	...	...	444,737	...	...	490,000	...	...	45,263
12. Management and Administration	352	352	24,240	352	352	25,117	345	345	24,719	-7	-7	-398
Total	352	352	614,290	352	352	605,501	345	345	587,[illegible]	-7	-7	-17,986

	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total	Approp.	Reimb.	Total
EOY Employment:												
Full-time permanent	302	...	302	302	...	302	337	...	337	35	...	35
Other	50	...	50	50	...	50	8	...	8	-42	...	-42
Total	352	...	352	352	...	352	345	...	345	-7	...	-7

Office of Justice Programs
Justice Assistance
Summary of Resources by Program
(Dollars in thousands)

Estimates by Program	1989 as Enacted			1989 Actual			1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Research, Evaluation and Demonstration Programs	...	...	$21,000	...	...	$20,700	...	...	$22,766	...	...	$22,766	...	...	$24,524	...	...	$1,758
Criminal Justice Statistical Programs	...	...	19,986	...	...	20,250	...	...	20,879	...	...	21,140	...	...	23,051	...	...	1,911
State and Local Assistance:																		
Discretionary grants	...	...	3,497	...	...	3,723	...	...	...	...	...	...	...	...	...	...	...	...
Emergency Assistance	...	...	...	...	...	1,100	...	...	9,927	...	...	...	...	...	...	...	...	...
Juvenile Justice Programs:																		
Formula grants	...	...	44,378	...	...	38,129	...	...	48,361	...	...	48,361	...	...	...	...	...	-48,361
State technical assistance	...	...	906	...	...	934	...	...	987	...	...	987	...	...	...	...	...	-987
Special emphasis	...	...	6,146	...	...	8,251	...	...	9,123	...	...	9,123	...	...	4,810	...	...	-4,313
National institute of juvenile justice & delinquency prevention	...	...	10,027	...	...	8,654	...	...	8,501	...	...	8,501	...	...	2,467	...	...	-6,034
Technical assistance	...	...	...	...	...	61	...	...	...	...	...	...	...	...	...	...	...	...
Concentration of federal efforts	...	...	343	...	...	414	...	...	448	...	...	448	...	...	223	...	...	-225
Part D-Gangs	...	...	...	...	...	...	...	...	1,985	...	...	1,985	...	...	...	...	...	-1,985
Subtotal	...	...	61,800	...	...	56,443	...	...	69,405	...	...	69,405	...	...	7,500	...	...	-61,905
Missing Children	...	...	4,000	...	...	3,685	...	...	3,971	...	...	3,971	...	...	7,971	...	...	4,000
Public Safety Officers' Benefits Program	...	...	24,000	...	...	22,668	...	...	...	...	...	...	...	...	...	...	...	...
Mariel Cubans	...	...	5,000	...	...	5,000	...	...	4,963	...	...	4,963	...	...	...			-4,963
Crime Control	...	...	...	...	...	-1,549	*					...			...			...
Regional Information Sharing System	...	...	13,000	...	...	13,000	...	...	13,402		...	13,402	...	...	9,750	...	...	-3,652
Anti-drug Abuse Program:																		
Formula grants	...	...	118,800	...	...	118,800	...	...	395,101	...	...	395,101	...	...	440,000	...	...	44,899
Discretionary grants	...	...	29,700	...	...	28,814	...	...	49,636	...	...	49,636	...	...	50,000	...	...	364
Subtotal	...	...	148,500	...	...	147,614	...	...	444,737	...	...	444,737	...	...	490,000	...	...	45,263
Management and Administration:																		
Executive direction & control, NIJ	52	52	3,225	52	45	2,925	52	52	3,219	52	52	3,380	53	53	3,380	1	1	
Executive direction & control, BJS	51	52	2,872	51	49	2,954	52	52	2,970	52	52	3,135	53	53	3,135	1	1	...
Executive direction & control, OJJ	62	62	2,892	62	57	2,986	62	62	3,077	62	62	3,248	53	53	2,798	-9	-9	-450
Executive direction & control, BJA	48	48	3,050	48	51	2,933	50	50	3,156	50	50	3,336	50	50	3,336	...	...	...
Executive direction & control, OVC	28	28	982	28	19	1,035	28	28	1,375	28	28	1,480	28	28	1,480	...	...	...
OJP program support services	93	100	9,271	93	102	10,261	108	108	10,443	108	108	10,538	108	108	10,590	...	...	52
Subtotal	334	342	22,292	334	323	23,094	352	352	24,240	352	352	25,117	345	345	24,719	-7	-7	-398
Total	334	342	323,075 *	334	323	315,[illegible]	352	352	614,290	352	352	605,501	345	345	587,515	-7	-7	-17,986
Other Workyears:																		
Overtime:																		
Other		...			1			...			...			...			...	
Total compensable workyears		342			324			352			352			345			-7	

* Does not include $2,053,000 1989 rescission of prior year balances.

Office of Justice Programs
Justice Assistance
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

Activity: Research, Evaluation, and Demonstration Programs	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Research, Evaluation, and Demonstration Programs..................................	...	...	$22,766	...	...	$22,766	...	...	$24,524	...	...	$1,758

Long-Range Goal: National Institute of Justice (NIJ) research and development (R & D) increases knowledge about the causes of crime and how it can be prevented or reduced through more effective, efficient, and equitable policies of the Nation's law enforcement and justice administration systems. Increased control of crime in American society is based on informed criminal justice policies resulting from R & D.

Major Objectives:

To concentrate as its top priority the Institute's R & D program on reducing illegal drug use and the crime associated with drug use.

To emphasize research in the Institute's White Collar and Organized Crime program consistent with the Attorney General's priorities.

To expand private foundation funding support for Federal criminal justice research priorities as in the landmark agreement between NIJ and the MacArthur Foundation.

To use research findings to prevent or reduce crime and mitigate its negative effects on victims.

To demonstrate the crime control effects of intermediate sanctions and increasing prison capacity.

To further increase the involvement of the law enforcement and criminal justice communities in the R & D program of NIJ.

To communicate research findings to policy officials, practitioners, and researchers through modern communications technology, including compact discs (CDs), videotapes, concise Research in Brief and Research in Action papers, a computerized national and international reference service, as well as through traditional media such as books and articles.

Base Program Description: Authorized by the Anti-Drug Abuse Act of 1988 (42 U.S.C. 3721), the National Institute of Justice is the nation's principal criminal justice research and development center. As the major resource for policy-relevant studies regarding crime and criminal justice in the United States, the Institute's programs are designed to improve society's ability to control crime and to assist criminal justice practitioners and policymakers in selecting the most effective solutions to their crime problems. Institute research products provide policymakers with a range of alternative strategies for improving their crime control efforts.

The Institute's Program Plan annually outlines the policy issues to be addressed by Institute research and development activities. The Plan results from extensive consultation with State and local governments, related Federal agencies, criminal justice professional associations, and academic researchers. The critical areas currently receiving priority attention include: controlling the supply of and demand for illegal drugs; reducing violent crime and apprehending the career criminal; investigating and prosecuting white collar and organized crime; alleviating jail and prison crowding; identifying early predictors of criminal behavior; assisting victims of crime; involving communities and the private sector in controlling crime; demonstrating the effectiveness of criminal sanctions; prosecuting domestic violence and child abuse and curtailing future such violence; improving the effectiveness of the adjudication process; providing better and more cost effective methods for managing the criminal justice system; identifying the impact of probation and parole on subsequent criminal behavior; and disseminating research results to inform State and local criminal justice policies.

Most of the Institute's research projects are implemented through grants, contracts, and cooperative agreements. The Institute has also established an in-house research capability to conduct short term studies on important topics of immediate policy-relevant interest. Researchers who work on Institute-funded projects are selected primarily through a competitive solicitation process using peer review. On Institute projects, a staff program manager works closely with the researcher to ensure successful completion of the project and to feed project findings back into the planning process. The Institute's visiting fellowship program provides an opportunity for researchers, as well as qualified criminal justice practitioners, to undertake a study of their own design at the Institute, thereby providing an occasion for direct and sustained interaction between scholars, criminal justice practitioners, and Institute staff.

Based upon research and evaluation findings, analyses and program models are developed detailing the advantages and limitations of policy options in a given topic area. These products help practitioners decide which research-based innovations may be appropriate for their jurisdiction. Selected programs are field tested and evaluated to determine the likelihood of success if replicated and institutionalized by State and local government agencies, the private sector, or community organizations. National conferences also are conducted in selected areas to give senior officials up-to-date information on new programs or new research findings with significant implications for the management of their agencies.

As mandated by law, the Institute communicates policy-relevant information to the field through modern communications technology and operates the National Criminal Justice Reference Service, the principal national and international clearinghouse for the exchange of information on criminal justice issues.

Accomplishments And Workload: Workload and productivity information for the National Institute of Justice is presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Program Solicitations Prepared	14	16	16	22
Policy Reports Prepared and Published	32	35	38	48
Private Science and Policy Journal Articles Derived from NIJ Research	56	65	75	90
Research Proposals Received and Reviewed	364	400	415	448

Item	1988	1989	Estimates	
			1990	1991
In-House Policy Research Projects Planned and Conducted	12	13	17	22
Grant Close-outs Completed	100	110	110	100
Criminal Justice Data Collections Obtained	50	50	60	60
Applied Research Experiments/Demonstrations Initiated	9	14	15	24
Number of Technological Standards Developed for Law Enforcement Equipment Items	8	8	9	12
Major Regional and National Conferences Held	18	16	14	16
Conference Attendees	2,250	2,000	1,500	1,740
Number of Active Grants, Contracts, Cooperative Agreements and Interagency Agreements	280	290	295	320
Number of requests for criminal justice information answered by NCJRS	17,280	18,000	21,250	23,400

Following are recent major accomplishments of the National Institute of Justice:

NARCOTICS ENFORCEMENT AND PREVENTION: In response to the emphasis on controlling illegal drugs, NIJ conceived and developed the Drug Use Forecasting Program (DUF). It provides the first hard evidence on offenders' drug use. Of the individuals testing positive for recent illegal drug use, nearly 65% provided false information in the interview preceding the urine test. Thus, it is only through urinalysis that any true measurement of drug use among this population can be obtained. Funded in part by the Bureau of Justice Assistance, DUF now permits the tracking of new trends in drug use nationwide, as well as changes in drug use over time. Twenty-five (25) cities are now participating in DUF. In each city, samples of 250-350 arrestees are asked to provide voluntarily and anonymously, answers to survey questions, and a urine sample to be analyzed for illegal drugs. New samples are collected every three months; an attempt is made to oversample from arrestees accused of non-drug related offenses, to examine the use of illegal drugs by offenders involved in a wide variety of criminal activities.

NIJ's most recent findings show that, nationwide, more than one-half of all arrestees tested thus far have been positive for one or more drugs. In fact, most sites yield significantly higher results, with some cities routinely finding 70-80% of arrestees positive for recent drug use. These figures are critical, because they reveal illegal drug use which occurred within 48 hours of arrest. The high results do not vary across a broad array of criminal arrest charges. Further, in all but one city, one quarter or more of all arrestees have tested positive for multiple drug use. Regional differences have also been discovered: PCP use is primarily found in Washington, D.C., while amphetamines are found mostly in the West. Female arrestees are just as or more likely to test positive as males. Many female arrestees are more likely to be drug injectors placing them at high risk of AIDS infection.

In Washington, D.C. and New York City (Manhattan), where trend data are available back to 1984, cocaine use is at or near its highest level. Cocaine use across all sites has increased from 39% to 53% within the past two years. Finally, DUF findings have underscored the severity of drug abuse among criminals and inspired calls for more, and targeted, treatment resources. Washington, D.C., for example, initiated its first PCP treatment program only after urinalysis testing demonstrated the high level of PCP use among arrestees.

DRUGS, ALCOHOL, AND CRIME RESEARCH PROGRAM: This research program awarded over $1.5 million in new grants in 1988. The projects include: a) Costs and Consequences of Crack Abatement, which assesses the impact of crack trafficking on local crime patterns and will support interdiction and demand reduction efforts; b) Neighborhood Reporting of Drug Crimes, which will increase community willingness to provide eye-witness information on local drug trafficking to law enforcement agencies; c) Drugs and Campus Violence, which will provide nationwide data on how campus officials can reduce the occurrences of drug and alcohol-rated violence; and d) Modeling of Drug Markets, which provides economic and law enforcement models of drug supplies and profits at national and local levels and will permit more effective targeting of drug trafficking organizations.

EVALUATION OF ANTI-DRUG ABUSE ACT PROGRAMS: The Anti-Drug Abuse Act of 1988 called upon the National Institute of Justice to conduct a reasonable number of independent evaluations of the national discretionary and state formula programs operated by the Bureau of Justice Assistance. For fiscal year 1989, the National Institute and the Bureau of Justice Assistance have targeted 10 major program areas, including an evaluation of a drug use prevention campaign, street level enforcement strategies, and narcotics control in public housing. In 1990 and 1991, additional program evaluations will be conducted. Evaluation of Anti-Drug Abuse Act programs is also addressed under Congressional or OMB Mandated Studies.

METROPOLITAN AREA DRUG INTERRUPTION STRATEGY (MADIS): NIJ has developed an initiative to improve police strategies for the suppression of the retail drug trade and to analyze the relative efficacy of different tactical approaches. The program will assist in guiding and assessing street-level efforts jointly undertaken by local law enforcement agencies, including those undertaken jointly with the FBI, DEA, and the Marshals Service. Without thorough, metropolitan wide knowledge of drug markets and of police enforcement activities, the effectiveness of street-level crack-downs will remain unclear. The goal of this program is the compilation and use of data on a near-real-time basis. NIJ awarded four grants to police departments early in fiscal year 1990 to begin experimental work on this program.

CONGRESSIONAL OR OMB MANDATED STUDIES: In keeping with its Congressional mandate, NIJ has also commissioned a project to develop evaluation guidelines for State and local anti-drug abuse programs funded under the Anti-Drug Abuse Act of 1988. NIJ and the Bureau of Justice Assistance cooperated on developing the guidelines. Guidelines were completed and issued in the spring of 1989. NIJ awarded 14 grant and contract awards for evaluations by September 29, 1989. The National Institute of Justice, in response to a Congressional directive, has awarded a grant to study issues and practices in the handling of bias motivated crimes in two jurisdictions, Baltimore County and New York City. The study will involve the matching of identified bias cases with non-bias cases by crime type and victim type, and will examine the differences, if any, in type of offender, victim-offender relationship, crime location, and criminal justice system response. A field test of toy gun marking systems and their impact on police behavior was designed and conducted at the Fairfax County Police Department range and the FBI training facility at Quantico. The test designers also conducted a pilot test to more definitively determine the appropriate sample size needed for the field test and data analysis. The final report has been completed and submitted to the Secretary of Commerce, as directed. In response to the Undetectable Firearms Act of 1988, the Institute collaborated with the FAA and the Treasury Department in a study of the adequacy of current gun detection technology. Following a specific request from OMB, NIJ conducted a feasibility study of privatizing Bureau of Prisons hospital services. A draft of the report has been submitted to OMB for review and comment. Pursuant to the 1989 Urgent Supplemental Appropriation Act, a grant was awarded to the University of South Carolina to study the disproportionate use of illegal drugs by blacks.

WHITE COLLAR AND ORGANIZED CRIME: In NIJ's expanded program of white collar and organized crime research, a study on targeting of narcotics wholesalers is being completed to provide guidelines to State and local law enforcement agencies in initiating or improving programs to control these mid-level drug traffickers. A case study of the RICO trusteeship of Teamsters Local 560 in New Jersey is focusing special attention on union members' responses to the trusteeship. Findings will have important implications for the 1991 elections of the International Brotherhood of Teamsters (IBT), required by the settlement of the Justice Department's RICO suit against the IBT. The Institute is also conducting research to improve police response to Asian organized crime as well as studies aimed at more effective prosecution of corporate crime and public corruption.

PUBLICATIONS: During calendar years 1987 and 1988, the Research Applications and Publications programs of NIJ produced 39 major reports including five on drugs and crime, five on various law enforcement management and operational issues, three on AIDS in criminal justice, and others on such topics as victims of crime, the treatment of child victims within the criminal justice system, and improvements in a variety of court and corrections management policies. NIJ also published the National Directory of Corrections Construction, 2nd edition (the American Corrections Association reprinted and disseminated at its own expense 10,000 copies of the Directory); and NIJ also published four volumes of the prestigious Crime and Justice series, including thematic volumes on Family Violence and Communities and Crime, and 55 Research in Brief and Research In Action summary reports. NIJ also published 39 technical standards, reports and articles under its Technology Assessment Program. In addition, and serving as evidence of the high quality of NIJ's research program, over 110 articles, based on NIJ sponsored research, were privately published in research and policy journals during 1987 and 1988.

AIDS: NIJ has initiated an AIDS and Criminal Justice Program, including an AIDS Clearinghouse, to respond to the serious management and policy issues posed by AIDS for criminal justice practitioners. Working with the Centers for Disease Control, the National Institute has done extensive work in this area including publishing the following widely disseminated reports: AIDS In Correctional Facilities and AIDS And The Law Enforcement Officer. These reports summarize current medical information; review AIDS policies and procedures with regard to corrections and law enforcement agencies; discuss policy options available to administrators; and provide recommendations for and documentation of agency operational and training programs, including a discussion of key legal and labor relations issues.

NATIONAL PROGRAM ON HUMAN DEVELOPMENT AND CRIMINAL BEHAVIOR: Both the Institute and the John D. and Catherine T. MacArthur Foundation are initiating and jointly funding this program. The program aims to undertake a coordinated, integrated program of longitudinal cohort studies and experimental research on the causes and correlates of violent and predatory criminal behavior. In 1988 the Institute and the MacArthur Foundation committed $600,000 each to the program. Beginning in 1990 and continuing through 1995, the Institute and the Foundation will commit $1.4 million apiece to this research program. The design of this program features multiple, overlapping age cohorts and is expected to produce findings within five years of initial funding on early childhood and later developmental causes of crime, onset of criminal behavior, and desistance from crime.

FORENSICS AND CRIMINAL JUSTICE TECHNOLOGY: NIJ forensic research is focusing on improving and modifying evidence analysis for suspect identification through new DNA typing techniques which examine hair, bone, blood, and body fluid samples. This research is also looking at the testing of environmental effects on DNA typing samples and the expanded testing of alternative DNA specimen collection and processing systems, including gene amplification using the polymerase chain reaction procedure. Other significant research supported by NIJ is the testing of a computer modelling procedure for restoring and enhancing blurred and "noisy" images taken from surveillance cameras as well as other photographic evidence provided by bystanders.

VICTIMS OF CRIME: A recently completed NIJ study on the psychological effects of victimization indicates that nearly 1 in 4 of family members of homicide victims suffer from post traumatic stress disorder symptoms severe enough to meet the diagnostic criteria in the Diagnostic and Statistical Manual of Mental Disorders-III (DSM-III). Victim research scheduled for completion in 1989 also included studies of how victim bill-of-rights legislation can be implemented more effectively in order to enhance the treatment and satisfaction of victims with the criminal justice system. Means of increasing the utilization of victim services and the benefits to victims of victim services are also being addressed in current research.

SCHOOL CRIME: Developed as a cooperative research and demonstration program with funding support from the U.S. Department of Education, the School Management and Resource Teams (SMART) program was initiated in 1983. The program has been implemented in more than 80 schools nationally and has enabled administrators to reduce crime and disciplinary problems. In 1988, the Institute received $200,000 from the Office of the

Secretary of the Department of Education to sponsor drug abuse education and prevention activities through SMART. Two major urban school districts - Washington, D.C. and Miami, Florida - have requested designation as SMART demonstration sites. These initiatives would begin at the start of the 1989-90 school year, and would place special emphasis on drug abuse education, prevention, and control.

VIOLENT CRIME: NIJ has contributed $600,000 for a National Academy of Sciences panel on the understanding and control of violent criminality. The interdisciplinary panel will synthesize and critique the body of social, behavioral, and physiological scientific research in the most prestigious and rigorous scientific evaluation of knowledge about violence since the 1967 President's Commission on Violence. While NIJ is the principal contributor, given that much of the recent research on violence was supported by NIJ funding, the National Science Foundation's Law and Social Sciences program has also contributed $300,000 to this effort. Negotiations are continuing with other Federal agencies for their support for that part of the panel's work that is important to their own mandate and mission. Recently completed research in eight jurisdictions evaluating a violence prevention education curriculum found that exposure to the curriculum had a positive impact on the attitudes and self reported violent behavior of an identifiable high risk subset of the sample involved in the test.

FAMILY VIOLENCE: NIJ is continuing support for multi-site experimental investigations on what works best to stop family violence. Field experiments are continuing in six jurisdictions to expand the test of the effectiveness of arrest in spouse assault cases in comparison to other police responses such as the use of protection orders, batterer counseling, and victim outreach services. Results from three sites are expected in 1989, and three more in 1990. In addition, findings from a recently completed NIJ supported study, using official records, on the intergenerational transmission of violence indicated, surprisingly, that while being abused or neglected as a child is not a significant predictor of becoming a child abuser as an adult, it does have implications for future delinquency and adult criminal behavior. A follow up study consisting of interviews with both abused and control subjects is being conducted to determine the actual extent of child abuse in both groups, to examine other positive and negative outcomes for abused children, and to identify protective factors in the abused sample that prevent subsequent criminality.

SHOCK INCARCERATION: A recent intermediate sanction being adopted by many correctional jurisdictions is shock incarceration. In these programs young, non-violent offenders spend a short period of time in prison in an atmosphere emphasizing discipline, physical training, and exercise. NIJ has sponsored research to examine the effectiveness of these programs in reaching their stated goals of reducing overcrowding at the system level and diminishing recidivism at the individual level. In-house research has shown that the costs of not incarcerating high frequency offenders far outweighs the costs of incapacitation through incarceration.

ELECTRONIC MONITORING OF OFFENDERS: NIJ sponsored surveys of State and local programs utilizing electronic monitors in 1987 and 1988 revealed a 300% increase in their use for offenders both pretrial and after conviction. Field experiments evaluating the feasibility and effectiveness of house arrest programs using electronic monitors are currently underway in San Diego, Indianapolis and Oklahoma. The potential for use and misuse of this approach with a wider range of offenders and offense types warrant continued attention by the National Institute of Justice.

NATIONAL CRIMINAL JUSTICE REFERENCE SERVICE (NCJRS): NIJ operates NCJRS, the largest national and international information center on criminal justice policy and issues. Over 1.4 million documents were distributed, by issue and upon request, to practitioners and researchers in 1988. NCJRS operates on a fee-for-service basis (FFS) and uses the net income from sales to offset operating expenses. FFS is mandated by OMB policy; in NIJ's case, NCJRS charges for documents and services that are in demand but which NIJ has insufficient funds to produce. Income in 1988 totaled $412,000, with $443,680 projected for 1989.

Program Change:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Research, Evaluation, and Demonstration Programs..................	...	...	$22,766	...	...	$24,524	...	...	$1,758

An increase of $1,758,000 is requested for 1991 for the Less-Than-Lethal Weapons Research and Development Program. This increase will support the development of an operational Less-Than-Lethal Weapon for use by Federal, State and local law enforcement personnel. The 1990 President's budget included a request of $2,000,000 for this initiative but only a small portion of the amount requested was provided by Congress.

The initiative was begun in an effort to develop an alternative to handguns in order to save the lives of police officers, innocent civilians, and offenders. Between 1978 and 1987, 855 police officers and nearly 3,000 suspects were killed during confrontations. In addition to the loss of life and human suffering, the direct and indirect costs to society of the police deaths alone has been estimated at $500 million. Furthermore, according to one expert witness, Dr. James Fyfe of American University, there have been at least 100 wrongful death suits over the past nine years which have resulted in judgments totalling approximately $30 million. Finally, the 1985 Supreme Court ruling in Tennessee v. Garner strictly limits the situations in which police officers may use deadly force against a fleeing suspect. The development of a LLW is thus a crucial step in effective law enforcement, as its availability and use would save many of these lives and avoid expensive legal judgments. Equally compelling, a LLW would also assist police in apprehending more suspects since a fleeing felon cannot be shot unless there is imminent danger posed by the felon to the police or a bystander, so a LLW would bring down the fleeing felon who might otherwise escape. The number of deaths and resulting costs from armed confrontations support the need for a research initiative to design an effective LLW.

Chemical Anesthetic Compound Testing: Research conducted in 1989 with $500,000 from base resources for the Less-Than-Lethal Weapons Program identified three promising anesthetic compounds, Hypnoidal, Alfentanil, and A3080 for further development. These compounds were evaluated in terms of how they enter the body and the reaction time of subjects, and have been scheduled for comprehensive medical testing up to and including human subject testing beginning in 1990. All testing and documentation for these compounds will follow established medical testing protocols and shall meet U.S. Food and Drug Administration (FDA) standards of safety for use on human subjects, in all ranges of health, including those whose biochemistry has been altered by drugs or alcohol. We are attempting to achieve a 1 1/2 second reaction time on both men and women of various heights, weights, and health status, hence the exhaustive testing needed. This work is being overseen by a special biomedical subcommittee of the Institute's Technology Assessment Program's National Advisory Council.

Compound Delivery System Development & Testing: The funds requested for 1991 will support the design, manufacture and testing of the delivery system(s) under consideration for the LLW. Design and testing of the delivery system(s) will again involve the complete range of medical testing of a compound designed for use on human subjects and will resolve questions of range or distance from a subject, effective dosage, and effect on any passersby as well as on the officer using the LLW. An interim report will be prepared for submission to the FDA.

This initiative will continue the development and testing phases of the Less Than Lethal Weapons program. Since this is an experimental project, we cannot definitively separate the cost of developing the anesthetic compound from the cost of developing the delivery system appropriate for the anesthetic.

Activity: Criminal Justice Statistical Programs	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Criminal Justice Statistical Programs..........	...	...	$20,879	...	...	$21,140	...	...	$23,051	...	...	$1,911

Long-Range Goal: To assist policy and decision makers at the Federal, State and local levels of government by providing for the collection, analysis, publication and dissemination of comprehensive and accurate statistical information concerning crime and the operation of this Nation's criminal justice systems.

Major Objectives:

To collect, analyze, publish and disseminate statistical information on crime and the operation of justice systems to the President, the Congress, the Department, State and local executives and officials, the media and the public.

To maintain and develop an analytic program which will address the implications of national criminal justice statistics for Departmental policy and legislative initiatives.

To recommend national standards for justice statistics and to ensure the interstate comparability, reliability and validity of justice statistics.

To conduct, support and implement recommendations from evaluations to improve the quality of justice statistics.

To encourage the development, maintenance, and utilization of State and local governmental organizations and facilities responsible for the collection and analysis of criminal justice data and statistics.

To ensure compliance with requirements relating to confidentiality and security of data.

Base Program Description: The Bureau of Justice Statistics (BJS) is an independent and objective national center which provides basic information on crime and the operation of the criminal justice system to the President, the Congress, the Judiciary, State and local governments, the general public, and the media. Additionally, BJS supports the developing capacity of State and local governments to use data as a cornerstone of their criminal justice programs. In meeting its statutory mandate, BJS maintains 24 statistical series, including the National Crime Survey, Expenditure and Employment Series, National Judicial Reporting Program, Prosecution of Felony Arrests, Law Enforcement Management and Administrative Statistics, Pretrial Release Statistics, National Recidivism Reports, National Prisoner Statistics, Annual Jail Survey, Uniform Parole Reports, National Probation Reports, Quinquennial Jail Census, Federal Criminal Justice Statistics, State Criminal Justice Statistics, Capital Punishment, Quinquennial Jail Inmate Survey, Quinquennial Prison Census, and Quinquennial Prison Inmate Survey. BJS also publishes a regular series of bulletins and special reports which disseminate data from the series.

The National Crime Survey (NCS), the largest BJS series, is the Nation's principal source of information on crime victimization and the victims of crime, and the third largest survey conducted by the Federal Government. Under the NCS program, interviews are conducted with 101,000 persons in 49,000 households in order to obtain data on the impact, frequency and consequences of criminal victimization in the United States. The survey publication program includes: yearly trends in victimization, households touched by crime, and special reports on topical issues such as teenage victims, crime and the elderly, and the impact of particular crimes, i.e., rape, robbery, and burglary.

The BJS corrections statistics program provides systematic information on correctional populations and facilities gathered from Federal, State, and local governments, and covers the major sub-units of the corrections system -- probation, jails, prisons, and parole. The overall program consists of five components: (1) annual National Probation Reports; (2) annual Uniform Parole Reports; (3) annual National Prisoner Statistics; (4) annual counts and characteristics of persons sentenced to death; and (5) quinquennial surveys of national samples of prison and jail inmates and censuses of State and local correctional facilities.

The Bureau's adjudication statistical programs provide support and technical assistance to award recipients who undertake major data collection efforts designed to give BJS, researchers, and policymaking officials representative statistics on felony prosecution, criminal defense, and felony court caseload. A major addition to the adjudication statistical series has been the National Judicial Reporting Program (NJRP). This program provides, for the first time, national data on judicial sentencing practices for seven major felony categories plus all other felonies. The NJRP series is key to closing the gap in information on what happens to felons upon conviction in state trial courts. Data are provided on the number and characteristics of convicted felons; the crimes for which they have been convicted; and the range of sentences they receive.

Most criminal justice activities in the nation take place at the State and local levels of government. A primary objective and legislative mandate of BJS is to support the States in the accurate and timely collection, aggregation, and analysis of State-level criminal justice data. This objective is accomplished primarily through the support of Statistical Analysis Centers (SACs) which analyze and disseminate statistical information, coordinate State criminal justice statistical activities among State, county and city agencies, and provide improved State data for BJS analyses; support is also given to State UCR programs which compile and analyze local law enforcement data and forward it to the FBI. Through extensive Federal funding over the years, BJS has created SACs in 46 States, the District of Columbia, and three Territories and has supported the development of approximately 45 State-level UCR systems.

Accomplishments and Workload: Actual and estimated accomplishments of the Bureau of Justice Statistics (BJS) are presented in the following table:

Item	1988	1989	Estimates 1990	Estimates 1991
Major statistical series perennially maintained.....	7	7	10*	10
Major statistical series intermittently maintained..	1	3	2*	3
Other special data collections.....................	7	5	4*	3
Statistical and related reports prepared for BJS by grantees and contracters and published by BJS.....	8	8	11	12
State statistical projects supported................	52	60**	72	72
Number of requests for data sets and documentation filled by criminal justice data archives..........	709	1,789	1,800	1,900
Number of information and technical assistance requests filled under BJS supported programs......	970	1,125	1,250	1,375

* Three "other" collections were reclassified as "perennials."

** The actual number of UCR and competitive State grants funded in 1989 was 10 fewer than estimated in the 1990 Congressional budget because of the unexplained low response by the States to the program announcement issued in November 1988.

Using the data collected, BJS published 34 reports, data releases, and user guides during 1989. These reports included eight Bulletins, which present in a non-technical format the latest statistics from BJS' data series on particular aspects of crime or the administration of justice; six Special Reports, also written in non-technical language, which provide data on a topic of current public interest and policy debate; and one technical report. BJS Bulletins and Special Reports are accompanied by press releases which are given considerable coverage in the Nation's electronic and print media. BJS reports are frequently discussed in the editorial columns of American newspapers.

The implementation of the National Crime Survey Redesign Project is proceeding on schedule. The revised screening questionnaire was implemented in 5% of the on-going sample beginning in January 1989. Three phases of pre-testing were completed in two month intervals: February/March 1988, August/September 1988 and February/March 1989. The new questionnaire includes an expansion of questions on the victim's use of self-protective measures, the addition of a question about drug use by offenders, and the addition of questions about the victim's contacts and experience with the criminal justice system. It is designed to improve respondent's ability to recall crimes, especially sensitive crimes such as family violence and rape. The detailed report on Criminal Victimization, 1988 will for the first time include a section about family violence. The new screener will continue to be phased into the sample in 1990-92.

In calendar year 1989, BJS published the first two reports based on findings from its newest statistical series, the Law Enforcement Management and Administrative Statistics survey (LEMAS). In March 1989 it issued a bulletin entitled Profile of State and Local Law Enforcement Agencies, 1987. This bulletin described the salient aspects of the survey results and yielded the first comprehensive profile of law enforcement agencies in terms of personnel, salaries, functions, policies and operations. A special report issued in August 1989 examine the same characteristics of the 25 largest city police departments in the U. S. Planning for the second survey, to be conducted in July 1990, is now underway. In addition to retaining a core set of questions from the first survey, a special battery of questions regarding drug enforcement policies and procedures will be added.

In 1988 the first-ever nationwide probability survey of felony sentencing was completed under the National Judicial Reporting Program. That survey was carried out in a random sampling of 100 counties. It yielded data on nearly 52,000 individual cases involving felons sentenced during 1986. The first report using the sample data was Felony Sentences in State Courts, 1986, published by BJS in February, 1989. It describes the number of persons convicted of felony offenses including drug trafficking, and the sentences received. The second publication, Profile of Felons Sentenced in State Courts, 1986, published in December, 1989, deals with the demographic and offense characteristics of convicted felons. Two other reports using the 1986 survey data are scheduled for publication early in 1990: Felony Case Processing in State Courts, 1986, comparing the various methods of conviction (e.g. type of trial) with respect to a variety of case characteristics such as duration and sentencing outcomes, and Felons Sentenced to Probation in State Courts, 1986, describing probationers and the sentences they received, and including comparisons with non-probationers.

The feasibility testing and development of survey instruments and procedures for the National Pretrial Reporting Program (NPRP) were completed in 1989. This new series will begin in 1990 and will be conducted every three years.

During 1989, BJS published reports on prisoner counts for year-end 1988 and mid-year 1989. On June 30, 1989 a record 674,000 prisoners were under the jurisdiction of State and Federal prison authorities---growth during the first half of the year translated into a need for 1,800 new prison beds per week across the nation. BJS also produced reports covering the nearly 2.4 million adults on probation and the 408,000 adults on parole at the end of 1988. A study of Capital Punishment across the States was also published and revealed that 2,124 persons were being held by 34 States under a death sentence. BJS completed an historical report during the year on juvenile custodial populations from 1975 to 1985 as well as a year-end compilation of corrections statistics drawn from more than 20 separate statistical reporting programs. In April, 1989, BJS issued the first report from a three-year follow-up covering nearly 109,000 offenders discharged from prisons in 11 States in 1983. Utilizing procedures devised by BJS staff, criminal history records from the States were merged with FBI records and revealed that 62.5% of those released were subsequently arrested within 3 years for nearly 327,000 new offenses. BJS also completed a major study of prisoner misconduct in State institutions and found that half of all prisoners are cited for rule violations while confined. The most frequently imposed punishment for prison misconduct was found to be solitary confinement or disciplinary segregation. Finally, BJS carried out the 1989 Survey of Inmates in Local Jails. This survey entailed 6,000 interviews with inmates housed in 407 jails across the nation. The data gathered will support an extensive array of studies of jail inmates covering such topics as criminal histories, drug and alcohol use backgrounds, weapon use, and the characteristics of those victimized.

Program Changes:

	1991 Base			1991 Estimate			Increase/Decrease		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Criminal Justice Statistical Programs....................................	...	...	$21,140	...	...	$23,051	...	...	$1,911

A total increase of $1,911,000 is requested for three initiatives, as follows:

An increase of $1,100,000 is requested for the establishment of a COMPREHENSIVE STATISTICAL SERIES ADDRESSING THE RELATIONSHIP OF DRUGS, GUNS, AND VIOLENT CRIME. Data will be gathered both from existing BJS sponsored criminal justice surveys through enhancements or supplements, and by initiating new surveys and data gathering efforts. Because BJS has long been active in collecting data in these areas, the data base will also capitalize on past efforts to measure trends and chart progress. The many effects of drugs, illegal gun use and violence are all serious challenges demanding effective policy decisions which must be based on reliable data. To facilitate the development of these data, the following specific actions will be taken:

In 1991, this enhancement will be used in its entirety to provide partial funding for the Quinquennial National Survey of Prison Inmates, the fourth State prison inmate survey BJS has conducted since 1974 and the only source of national level data on prison inmates. The survey is planned to be conducted together with a similar survey being carried out with Federal inmates. These surveys will ask detailed questions on the use, frequency, onset, and dependency for each type of drug used illegally. Most of the questions have been used successfully before with inmate populations. The survey will permit an examination of illegal drug use by inmates prior to incarceration, the development of their drug use habits, and the relationship of illegal drug use to the onset and development of criminal careers. It will also allow an examination of the onset of different types of drug use in terms of age, frequency and dependency. Data on such important issues as the relationship of gateway drugs to more serious drug use and the development of criminal careers will also be developed.

The role of weapons and their use in the commission of crimes will also be examined in detail. Typical questions will include the number and types of weapons, if and how they were used, and any injuries that resulted. Questions will determine the source of any weapon used, whether it was purchased, borrowed, or stolen and from whom. Information on the complex relationship between drug trafficking, the legal and illegal market for guns, and violent crime will be developed.

As with previous surveys, this one will provide detailed information on inmate population composition and offense pattern. The survey will allow detailed comparisons of the State and Federal prison population with a special emphasis on drug offenders. It will also provide detailed information, comparable with that collected in previous surveys, on the background, education and employment, and criminal careers of inmates and will gather data, as well, on the characteristics of those victimized by violent offenders in State and Federal prisons. The survey will be conducted by the Bureau of the Census, who will interview approximately 14,000 state prison inmates in over 200 different correctional facilities. The sampling procedures employed will insure that the resulting data are reliably representative of the national prison inmate population.

In 1992 and succeeding years, this enhancement will provide funding for other aspects of this initiative including an incentive program to increase the precision of offense reporting by those 12 states currently participating in the BJS Offender Based Transaction Statistics (OBTS) program. Currently, many crimes which include weapon or drug descriptions as an element of the classification are coded into an "All Other" category rather than into available, more specific classifications. Funds will be provided for the states to trace the base drug offense from arrest through court disposition to obtain and record the desired level of detail. In 1986, as an example, the number of drug-related dispositions from five of the States reporting arrestees totaled 103,826. Of these dispositions, 92,780, or about 89% were coded "type of drug unspecified." The 12 States that will be reporting 1988 data account for approximately 35% of the population of the United States; more detailed statistics on these drug related crimes will significantly increase the knowledge base upon which informed decisions can be made. A recent BJS study of trends in offense dispositions shows that in five States the number of drug arrests increased 52% from 1983 to 1986 while the number convicted of drug offenses increased 73% in this brief period.

The periodic survey of Law Enforcement Management and Administrative Statistics (LEMAS) will also be expanded to include questions regarding the degree to which police and sheriffs' departments have drug testing policies, test arrestees for drugs, test recruits for drugs, utilize specialized drug investigation units or task forces, and a full range of other drug policy issues related to law enforcement resources. Other questions will be added relating to the number and type of weapons seized during a given time frame (e.g. handguns, long guns, automatic weapons, etc.). Improved statistics from these surveys will substantially improve our knowledge base from the law enforcement perspective.

Further efforts to be funded with this initiative include studies in selected cities of the criminal histories of those arrested for selling or buying drugs. The objective of the studies will be to provide estimates of the amount of crime reduction that would be achieved by varying the terms of incarceration or by restricting the use of probation. We will identify the specific numbers of arrests of individuals that would not have occurred if they had served the entire time of a prior sentence. In this way, we can estimate the proportion of drug related arrests that might have been averted by adhering to stricter sentencing guidelines.

Finally, with this initiative, BJS will expand its National Pretrial Release Program to provide increased emphasis on persons arrested for drug related crimes. This program collects data on defendants from the time the case is filed with the court through adjudication, with particular focus on pretrial release and outcomes. Currently there are 40 jurisdictions in the sample which are representative of the 75 largest counties in the United States. Information that is expected to result from this survey will include the characteristics of defendants who are released or detained, of those who fail to appear for court hearings, and of those who are rearrested while on pretrial release, by type of charge, prior criminal history, and community ties.

NATIONAL CRIME SURVEY REDESIGN IMPLEMENTATION: An increase of $476,000 is requested for implementation of the National Crime Survey (NCS) redesign. The NCS, in which over 100,000 American citizens in roughly 50,000 households are interviewed concerning crime victimization, underwent extensive redesign based upon the recommendations of a consortium of experts who have evaluated all aspects of NCS survey design, administration and analysis. During 1991, the fully redesigned victimization survey will be phased in. The redesigned survey will more fully measure the number of crimes of which Americans may be victims, including rapes, family violence, and crimes against the household, with vandalism being measured for the first time. The more detailed questions being introduced are expected to increase reporting of some crimes to survey interviewers by as much as 25%.

The funding being requested is required to cover additional costs involved in the retraining of Census Bureau interviewers; the development of new manuals and survey documentation procedures (for use by Census coders, interviewers and users of survey data); and the reprogramming of all NCS computer programs. These programs are used to edit the original data from the field, prepare data tabulations and develop public use tapes. There are additional field costs during the pretesting and phasing in of new questionnaires, particularly in 1991 when two questionnaires (the old and the new) will be in the field together. In order to avoid biasing effects, different interviewers will be used on each version of the questionnaire so that the economies that now occur with single interviewers handling larger work assignments will not again be possible until the entire program is phased in 1992. In addition, extra clerical staff will be needed at the various stages of processing in the regional offices and Jeffersonville to insure that the processing of each questionnaire is administered separately and questionnaires are not inadvertently merged together.

With concern for victims assuming an increasingly important place in our national consciousness, the new survey will also provide information concerning the experiences and reactions of victims to their contacts with police, prosecutors, and other officials of the criminal justice system. The goals of the redesign are to further increase the number of criminal incidents reported to survey interviewers and to increase our knowledge of how criminal victimization has an impact on the lives of victims. New or expanded questions are designed to help victims remember crimes they may have forgotten and encourage them to talk about sensitive crimes. Data of this nature have repeatedly been requested by policymakers including Congressional staff, criminal justice professionals, victims advocates and support groups, and the Attorney General's Family Violence Task Force. One of the recommendations of the Task Force urged the development of better measures of family violence.

Completion of this effort will fulfill a new national commitment to understanding the extent and consequences of personal victimizations. The implementation phase of the redesign is the final stage in carrying out the recommendations originally made in 1977 by the National Academy of Sciences and published in *Surveying Crime*. The changes were recommended by the redesign project conducted by a consortium of universities and private research organizations. The funding being requested represents only a relatively small additional cost compared to the total NCS program and redesign budget.

FEDERAL INTEGRATED DATA BASE: An increase of $335,000 is requested to enhance the existing Bureau of Justice Statistics Federal criminal justice statistics program to collect more timely and comprehensive data on the processing of offenders with particular emphasis on drug offenders. This expansion is important to better track the large increase in drug offenses; between 1980 and 1987 prosecutions for drugs were up 153%, convictions up 161%, and setences to prison up 177%. The Bureau of Justice Statistics Federal Statistics program annually collects data from the Federal Bureau of Investigation (FBI), the Executive Office for the U.S. Attorneys (EOUSA), the Administrative Office for U.S. Courts (AOUSC), the Bureau of Prisons (BOP), and the Parole Board. Data are linked to permit the tracking of Federal cases from prosecution through adjudication, sentencing and corrections. Based on these data a compendium of Federal data is issued annually, as well as special reports, addressing drug offenders, white collar crime, and trends over the years 1980-1986.

The objectives of this enhancement are: (1) to expand the database to include more data on Federal investigation and arrests with emphasis on drug cases; (2) to accelerate data acquisition to permit more real-time analysis; and (3) to respond more directly to departmental needs for current data to support fiscal and legislative options in key areas involving drugs and other priority criminal endeavors.

Specifically, these funds would be used:

1. To collect, analyze and incorporate data from at least three investigative agencies (DEA, INS, FBI) into the existing database. This will permit BJS to track arrests throughout the system and to estimate prosecution and correctional implications associated with changes in

arrest rates. Linkage of DEA data to the database will also present the first opportunity to track drug cases system-wide and to more clearly focus on the rate on which persons arrested on drug charges are prosecuted, convicted and confined to prison;

2. To collect and analyze data from all participating agencies on a quarterly real-time basis. Quarterly data collected will permit the development of descriptive statistical indicators relating to current activity and the preparation of annual data series relating to the most recent calendar year;

3. To prepare and distribute quarterly statistical releases providing an overview of Federal case processing over the preceding three months. The quarterly indicator series would enable departmental policymakers to identify long and short term trends and to assess the impact of changes on processing policies and/or legislation;

4. To respond to adhoc requests by DOJ officials.

Activity: State and Local Assistance	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
State and Local Assistance..................	...	...	...	...	...	...	...	...	...	...	...	...

Long-Range Goal: To provide financial and technical assistance to State and local jurisdictions and organizations to enable them to execute programs with a high probability of improving the operations of the criminal justice system, with emphasis on violent crime and serious offenders; and to provide assistance to public and non-profit agencies for the purpose of conducting education and training programs, providing technical guidance, carrying out national or multi-State projects, and demonstrating new programs.

Major Objectives:

To complete projects for which funds were appropriated.

Base Program Description: With enactment of the Anti-Drug Abuse Act of 1988, the purposes of this program are now encompassed in the Anti-Drug Abuse program. With this consolidation, programs formerly supported by Justice Assistance Act funds will now require support under the Anti-Drug Abuse Act program. In 1989, $3,497,000 was appropriated: $2,300,000 was provided for the National Crime Prevention Council (NCPC); $1,000,000 for Operational Information Systems Support; and the remainder of $197,000 was provided for "other high priority programs". No funds have been provided for the formula grant program since 1987.

Accomplishments and Workload: In 1989, Congress appropriated $3,497,000 for specific programs as described in the appropriations bill conference report:

THE NATIONAL CRIME PREVENTION COUNCIL CAMPAIGN ($2.3 MILLION) - The Campaign features McGruff the Crime Dog, a nationally recognized symbol for crime prevention, to teach children and adults about crime and drug prevention strategies. Through the Campaign and the various partnerships that have developed with other Federal agencies and the private sector, BJA's efforts in crime and drug prevention education reaches millions of children, law enforcement professionals, community groups, schools, and businesses. The Campaign will be continued under the Anti-Drug Abuse program.

STATE AND LOCAL INFORMATION SYSTEMS ($1 MILLION) - This program provided technical assistance and training to assist states that do not have automated criminal justice information capabilities and operates two computer training centers designed to test and identify technology that can be used by state and local criminal justice officials to improve their information management capabilities and provide training for these officials.

Activity: Emergency Assistance	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Emergency Assistance........................	...	...	$9,927	...	...	...	...	...	...	...	...	...

Long-Range Goal: To provide financial and technical support to assist States in responding adequately to law enforcement emergencies.

Major Objectives:

To provide a rapid and coordinated Federal determination of State eligibility for assistance to respond to uncommon law enforcement situations.

To ensure that once a determination of eligibility is made, such assistance is rendered without delay.

Base Program Description: Natural disasters and crime epidemics strike States and localities arbitrarily and without warning, often exceeding the capacity of law enforcement resources to protect life and property, and to enforce the law. It is clear from the authorizing legislation and its legislative history that certain situations are viewed as appropriate for emergency law enforcement assistance. Equally clear is the firm intention to avoid unnecessary Federal involvement or intervention in matters which are primarily of State and local concern. To this end the Anti-Drug Abuse Act excludes assistance for planning or other activities related to crowd control for general public safety projects and assistance for a situation requiring the enforcement of laws associated with scheduled public events. Thus, the high law enforcement costs associated with political conventions and international sporting events should be borne by the localities that sought the events.

The Act authorizes the Attorney General to receive requests from State chief executives for designation of a State or local jurisdiction as a law enforcement emergency jurisdiction. Once submitted, the application is to be approved or disapproved within 10 days. The Attorney General will make his determination to approve or disapprove the application, after consultation with appropriate members of the Federal law enforcement community. If the Attorney General approves the application, the Federal law enforcement community will proceed to provide appropriate equipment, training, intelligence information, personnel or funding. Funds are made available only when other forms of assistance are insufficient to assist the State.

Historically, few applications have been submitted for the funds, with only two grants having been awarded during the years 1985 (the year of inception) through 1989. The 1990 appropriation, which was provided to specifically address needs arising from Hurricane Hugo and the earthquake in California, is a non-recurring decrease in 1991.

Accomplishments and Workload: In 1989, one grant was awarded for $1,100,000 to the South Carolina Department of Public Safety for expenses related to Hurricane Hugo. To date, from the 1990 appropriation of $9,927,000, a grant for $1,600,000 has been awarded to South Carolina. In addition, an award for $4,963,000 was made to the State of California in the month of January.

Staff work required to administer the program includes: assistance in application preparation; application review; recommendations to the Attorney General and Assistant Attorney General; grant administration; financial administration; and assistance coordination.

Activity: Juvenile Justice Programs	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Juvenile Justice Programs....................	...	...	$69,405	...	...	$69,405	...	...	$7,500	...	...	-$61,905

Long-Range Goal: To aid in the prevention, reduction, and treatment of juvenile crime and delinquency and to improve the administration of juvenile justice by providing financial and technical support to State and local units of government, public and private agencies, organizations and institutions.

Major Objectives:

To facilitate, through provision of technical/financial resources and national leadership:

a. Secure full compliance, as well as maintain full compliance, with the requirement that status offenders and nonoffenders not be held in secure detention and correctional facilities.
b. Removal of all status offenders and non-offenders from secure detention and correctional facilities within five years from the date that each State/territory began participation in the JJDP Program.
c. A 75% reduction in the number of juveniles held in adult jails and lockups, in all States and territories which participate in the JJDP Program, after December 8, 1985, and 100% removal after December 8, 1988.
d. Separation of juveniles found to be delinquent or status offenders, from adult persons incarcerated for criminal offenses in institutions in States not in compliance, and maintenance of separation of those States having achieved compliance.
e. Development and maintenance of compliance monitoring systems as required by Section 223(a)(15) of the Act for purposes of supporting maintenance of compliance with the deinstitutionalization, separation and jail removal requirements.

To conduct research which can be applied to the development of programs for preventing and controlling juvenile delinquency and illegal drug use and improving the response of the juvenile justice system to high risk youth.

To develop and test program models based on a synthesis of research and field experience for preventing and controlling juvenile delinquency and illegal drug use and improving the response of the juvenile justice system to high risk youth.

To demonstrate existing programs for preventing and controlling juvenile delinquency and illegal drug use and improving the response of the juvenile justice system to high risk youth, which are determined to be effective in a variety of jurisdictions.

To disseminate information produced by research, development, and demonstration activities through training, technical assistance, and clearinghouse activities.

To develop, demonstrate, and disseminate information on prevention and treatment programs relating to juvenile gangs and drug abuse and drug trafficking.

To provide for auditing State monitoring compliance systems and to oversee required corrective actions.

To make formula grant allocations available to public and private non-profit agencies in States not participating in the JJDPA.

To provide technical assistance to State and local governments, and other service providers, in the development and implementation of programs related to deinstitutionalization, separation, jail removal, juvenile delinquency and other programs to improve the juvenile justice system.

Base Program Description: The Formula Grant Program represents 70% of the total amount appropriated for Juvenile Justice and Delinquency Prevention. This program provides funds to States on the basis of population under the age of 18. To receive its allocated funds, a State or territory must submit a three year comprehensive plan that meets statutory criteria. Funds may be expended for innovative programs to prevent delinquency, divert juveniles from the system, provide community-based alternatives to secure confinement, and to provide programs for juveniles who commit serious crimes. In 1989, 57 States and territories participated in the program. The non-participating States are: South Dakota and Wisconsin. In 1989, North Dakota received both its 1988 and 1989 awards. This is the first time that North Dakota has participated in the Juvenile Justice program. Wyoming's 1988 and 1989 formula grant awards are being held pending the submission of applications. This will be the first time that Wyoming has participated in the program.

The National Institute for Juvenile Justice and Delinquency Prevention (NIJJDP), within the OJJDP, conducts research and program development activities to increase understanding of the risk factors for delinquency and the effects of alternative juvenile justice policies. This information is applied to the development of promising program models, through joint initiatives with the Special Emphasis program. The NIJJDP also serves as an information collection and dissemination center for the Office. Information on juvenile delinquency, promising programs, and innovative juvenile justice policies and procedures are disseminated through clearinghouse, training, and technical assistance activities.

New program development efforts funded by the Special Emphasis Division address a wide range of national juvenile justice issues by developing and testing prototypes and demonstrating effective programs. Program information generated throughout the development process is disseminated to the field. Competitive awards are made to support comprehensive planning and program development in many areas impacting on high risk youth. The design and implementation of these new efforts are coordinated with NIJJDP and the State Relations and Assistance Division.

The Office of Juvenile Justice and Delinquency Prevention, through the Coordinating Council on Juvenile Justice and Delinquency Prevention, coordinates and concentrates Federal resources on the problems of delinquency and the operations of the juvenile justice system. This includes the development of Federal youth policy and joint programs to target high risk youth.

Accomplishments and Workload: The following table represents accomplishments of the Juvenile Justice Programs.

Item	1988	1989	Estimates 1990	Estimates 1991
States and territories participating in program	55	57	55*	...
States in full compliance with deinstitutionalization provisions	51	48	50	50
States in compliance with separation requirements	39**	34***	37	37
States with monitoring systems	49	49	51	51
Juvenile justice formula grants awarded	55	57	55	...
Juvenile justice special emphasis grants awarded	38	11	11	...
National institute of juvenile justice grants awarded	14	13	9	...
Inter-agency agreements entered into	4	4	2	...
High risk youth research programs/projects	5	6	7	5
High risk youth training projects	3	5	7	9
High risk youth demonstration projects	8	19	17	15
High risk youth information/dissemination projects	3	1	2	3

* Reduction is based on the elimination of eligibility and the phase-out of funding for the Marshall Islands and Micronesia by the Compact of Free Association.

** Thirteen States are making progress toward achieving compliance. They have not yet reached their designated date for achieving compliance pursuant to 28CFR31.

*** Sixteen States and territories are making progress toward achieving compliance. These States have not yet reached their designated date for achieving compliance pursuant to 28CFR31.

Since enactment of the Juvenile Justice and Delinquency Prevention Act of 1974, the provision of Federal technical and financial resources has enabled participating States to undertake a number of system-wide improvements. The Formula Grants Program has had a significant impact on rates of incarceration throughout the United States. Forty-eight of the States participating in the program have achieved full compliance with the statutory mandate to deinstitutionalize status offenders and non-offenders. In 1990, 50 States are expected to achieve full compliance. Since 1979, the number of violations of the statutory mandate of deinstitutionalization of status offenders and nonoffenders has been reduced from 165,531 in 1979 to 9,693 in 1987 among the participating States.

Program Change:	1991 Base			1991 Estimate			Increase/Decrease		
	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
Juvenile Justice	...	...	$69,405	...	...	$7,500	...	...	-$61,905

The 1991 request for $7,500,000 will assist the Office of Juvenile Justice and Delinquency Prevention (OJJDP) in continuing to coordinate and fund its High Risk Youth Program. The $7,500,000 requested for 1991, together with a 50% match from grant recipients, would provide $15 million for the juvenile justice high risk progam. The Program focuses on youth and teenagers under the age of 18 who, because of certain characteristics or conditions, are especially likely to use illegal drugs and/or alcohol. These characteristics include such factors as: children of substance abusers; school dropouts; victims of physical, sexual, or psychological abuse; and youth who have committed violent or delinquent acts. OJJDP is giving high priority to preventing high risk youth from becoming involved in the use or trafficking of illegal drugs, and on developing comprehensive, coordinated responses by the juvenile justice system to those youth who are involved in illegal drugs.

Initiatives included in the High Risk Youth Program, generally are based upon two guiding policies: (1) zero tolerance for illegal drug use by high risk youth; and (2) accountability on the part of individuals, families, and communities for preventing and controlling illegal drug use among high risk youth. Therefore, OJJDP's programs are based on four principles: (1) Research-based program designs that target risk factors; (2) Emphasis on change at the legal, policy, procedural, and practice levels; (3) System coordination of services and programs; and (4) Identification and redeployment of existing Federal, State, local, as well as private resources. In doing so, OJJDP assumes a national leadership position, with the traditional Federal functions of program development/demonstration, training and technical assistance, research and information dissemination. Examples include but are not limited to: development of program models that effectively address the factors that place juveniles at high risk for initiation or continued involvement in illegal drug and alcohol abuse; development of a program to help communities coordinate drug prevention activities by providing technical assistance and training to help schools, civic groups, police, courts and other juvenile justice decision-makers to work together to plan and implement community drug and alcohol abuse programs; a project to assess the gang problem nationwide and develop model juvenile gang suppression and control programs, emphasizing elimination of the sale and distribution of drugs; and development of a national public awareness campaign on high risk youth that communicates a strong message of zero tolerance for illegal drugs and that everyone -- youth, families, and communities -- is accountable.

At the requested level of funding, OJJDP will be able to continue funding its High Risk Youth Program. OJJDP has long funded programs that are designed to address the problems of high risk youth. No new legislation will be needed since the Juvenile Justice and Delinquency Prevention Act (JJDPA) specifically addresses such high risk factors as juvenile gangs, youth drug and alcohol use, weakened family structure, and school drop-outs. Indeed, under the auspices of the Coordinating Council on Juvenile Justice and Delinquency Prevention, the OJJDP already has the means with which to coordinate the activities of all agencies involved in any High Risk Youth initiative. This proposal reflects the Administration's support for programs to address the problems with gangs and drugs and their relationship with the juvenile justice system.

The Juvenile Justice program provides funds to States and localities for juvenile justice and delinquency projects in the areas of education, training, research, prevention, treatment and rehabilitation. Since 1975 over one billion dollars has been made available for the various programs, including discretionary and formula grants, authorized by the JJDPA. Considerable progress has been made in achieving the major objectives of the JJDPA with the use of Federal funds. The figures in the accomplishments section amply demonstrate that substantial progress has been obtained in achieving the major objectives of the Juvenile Justice Act. Due to the budget constraints this Nations is facing, there are insufficient resources available to meet the Federal responsibilities of the Department let alone State and local juvenile justice systems. We believe States that are now participating in the program will continue to commit their resources to the juvenile justice programs which have proven effective. These types of programs would not be funded in 1991, resulting in a decrease of $61,905,000.

Activity: Missing Children

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Missing Children............................	...	...	$3,971	...	...	$3,971	...	...	$7,971	...	...	$4,000

Long-Range Goal: To reduce the incidence of crimes against children, particularly kidnapping and sexual exploitation and to improve the criminal justice, social services and treatment systems which are responsible for dealing with these crimes when they occur.

Major Objectives:

To ensure that there is effective coordination among all Federally funded programs related to missing children.

To establish and maintain a national resource center and clearinghouse to:

a. provide to State and local governments, public and private non-profit agencies, and individuals information regarding free or low cost legal, restaurant, lodging, and transportation services available to benefit missing children and their families; and information on Federal programs available to assist missing children and their families;
b. coordinate public and private programs that locate and recover missing children;
c. nationally disseminate information on innovative missing childrens' programs, services, and legislation;
d. provide technical assistance and training to law enforcement agencies, State and local governments, private non-profit agencies, and individuals in the prevention, investigation, prosecution and treatment of the missing or exploited child case and in locating and recovering missing children.

To periodically conduct national incidence studies to determine the actual number of children reported missing each year, the number of children who are victims of stranger abductions, the number of children who are victims of parental kidnappings, and the number of missing children who are recovered each year.

To provide to State and local governments, public and private non-profit agencies, and individuals information to facilitate the lawful use of school records and birth certificates to identify and locate missing children.

To begin a study to determine obstacles to the recovery by legal custodians of children who have been removed by noncustodial parent and submit a report summarizing the results to the Congress within three years.

To prepare an annual report to the President, Speaker of the House, and President pro tempore of the Senate which includes information contained in Section 404(a)(5) of the Juvenile Justice and Delinquency Prevention Act as amended.

To provide a program to establish and maintain a 24-hour national toll-free telephone line where individuals may report information regarding the location of missing children and request information on reuniting such children with their families.

Base Program Description: The public and the criminal justice community continue to be concerned about runaways and other missing and exploited children. Numbers of cases of abduction, sexual abuse, sexual exploitation and murder of children, are being found. Estimates of the number of missing children vary widely. We do not know precisely how many children are abducted and/or sexually exploited, how many run away, or how many are homeless. But even the most conservative estimates suggest that a large number of children may be missing and/or exploited.

The 1988 amendments to the Juvenile Justice and Delinquency Prevention Act (JJDPA) require the Office of Juvenile Justice and Delinquency Prevention to publish in the Federal Register for public comment annual research, demonstration and service program priorities for making grants and contracts pursuant to section 405 and the criteria based on merit for making such grants and contracts. The final program priorities should be published in the Federal Register by January 31, 1990.

Accomplishments and Workload: The following table presents accomplishments of the Missing Children Program.

Item	1988	1989	Estimates 1990	Estimates 1991
Law enforcement and social service professionals trained..........	3,000	1,800	2,000	2,000
Telephone calls requesting information (NCMEC)1/....................	100,000	100,000	100,000	100,000
Telephone calls requesting information (State clearinghouses)2/...	70,000	70,000	70,000	70,000
Instances of technical assistance related to missing or exploited children's cases (NCMEC)	4,000	4,000	4,000	4,000
Instances of technical assistance related to missing or exploited children's cases (State clearinghouses)2/......................	50,000	50,000	50,000	50,000
Brochures, manuals, and child safety guides developed, published and mailed..	971,000 3/	592,000	600,000	600,000

1/ Represents workload estimates for National Center for Missing and Exploited Children (NCMEC).

2/ Represents workload estimates for State operated clearinghouses - - range of responsibilities include: operate toll-free in-State telephone lines to accept information about sightings of missing children; assist in the investigation of missing child cases; expedite the entry of missing child information into the NCIC system; and establish a data system to collect and disseminate information that can assist agencies in recovering missing children.

3/ Major distribution increase in 1988 caused by supplying publication materials for Federal training programs.

Program Change:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Missing Children	...	...	$3,971	...	...	$7,971	...	...	$4,000

Funds for this program are used to reduce the incidence of crimes against children, particularly kidnapping and sexual exploitation, by assisting families, citizen groups, law enforcement agencies and government institutions in a national effort to insure the safety and protection of children.

The missing children problem is not a simple dilemma that can be resolved with a single approach. No one sector of our society--not the public sector, private sector, not the family--can work independently and expect to develop any useful or lasting solutions. When a child disappears, for any reason, a variety of resources must be used to coordinate a comprehensive response. These same resources must also be used for developing and implementing long-term solutions to the overall problem.

Local, State and Federal law enforcement; schools; missing children non-profit organizations; community-based service providers; private attorneys; prosecutors; juvenile courts; families; and Federal, State, and local governments must coordinate their resources in developing comprehensive responses to prevent missing child incidents and to effectively respond when an event occurs. If they do not work together, the predictable outcomes will be costly duplication of effort, frustration among professionals and victimized families, and failure to resolve an immediate crisis or create a successful prevention strategy. Sadly, our Nation's children have, in some instances, become the victims of well-meaning but uncoordinated efforts.

Therefore, the $4,000,000 increase in the Missing Children program for 1991 will be used to enhance the efforts of State and local communities in their comprehensive response to missing and exploited children issues through such activities as direct assistance in planning and program development at the local level, and developing and disseminating policies, procedures and programmatic information related to search teams, investigations, crisis intervention activities, as well as reunification of youth with their family and, responding to the issues related to victimization of the families and youth involved in the missing and exploitation problem.

Other program areas that may be considered for funding are: the development of materials for local communities and State agencies to assess the incidence of missing and exploited children activities; providing financial as well as training and technical assistance support to missing children private voluntary organizations operating at the State and local level; support and expansion of existing missing children State clearinghouses; and support to the National Center for Missing and Exploited Children for continued support in all the above-mentioned areas. Joint program activities with other appropriate Federal agencies such as the Office for Victims of Crime would be undertaken to focus and enhance victim assistance services for the families and youth involved in the problem of missing children and child exploitation.

Activity: Mariel Cubans	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Mariel Cubans..............................	...	...	$4,963	...	...	$4,963	...	...	...	...	...	-$4,963

Long-Range Goal: To provide financial assistance to States that have Mariel Cubans incarcerated in State facilities.

Major Objective: To award grants to reimburse States for expenses incurred for incarcerating Mariel Cubans.

Base Program Description: Beginning with the 1985 appropriation act, Congress has regularly provided about $5,000,000 for the purpose of making grants to States for their expenses incurred for the incarceration of Mariel Cubans in State facilities following their conviction of a felony committed after having been paroled into the United States by the Attorney General. Each State that applies for funds is required to submit a list of incarcerated Mariel Cubans that is certified by the Governor. The list of inmates is then verified by the Immigration and Naturalization Service (INS). On the basis of a per capita allocation, each State receives a pro-rata share of the amount available.

Accomplishments and Workload: Significant data for this program is presented in the following table:

Item	1988	1989	Estimate 1990	Estimate 1991
Number of States reimbursed........................	38	36	36	...
Number of inmates verified by INS..................	2,414	2,358	2,375	...
Average number of months incarcerated (per inmate).	10.0	10.4	10.4	...
Average total payment per inmate...................	$2,071	$2,120	$2,090	...
Average payment per month per inmate...............	$208	$203	$201	...

Program Change:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Mariel Cubans......................................	...	...	$4,963	...	...	...	...	...	-$4,963

No funding is requested for 1991. In this period of scarce Federal funds, the Mariel Cubans program is not of sufficient priority to command a share of the limited funds available. Available resources do not permit continuation of this program when compared to other Departmental priorities; the Department must first use any available funds to meet its Federal justice responsibilities.

Activity: Crime Control Programs	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Crime Control Programs......................	...	...	...	...	...	...	...	...	...	...	...	...

This activity is used to reflect adjustments to prior year obligations and outlays for programs that were authorized by preceding legislative authority but are not authorized by existing legislation. The programs have terminated and require no new budget authority in 1991.

Activity: Regional Information Sharing System	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Regional Information Sharing System (RISS)...	...	...	$13,402	...	...	$13,402	...	...	$9,750	...	...	-$3,652

Long-Range Goal: To enhance the ability of State and local criminal justice agencies to identify, target, and remove criminal conspiracies and activities spanning jurisdictional boundaries.

Major Objectives:

To encourage and facilitate the rapid exchange and sharing of information pertaining to known or suspected criminals or criminal activity among Federal, State, and local law enforcement agencies.

To enhance coordination/communication among those agencies in addressing multi-jurisdictional crime.

To provide technical and financial resources to augment existing multi-jurisdictional enforcement resources (including specialized equipment, training, and investigative expense).

Base Program Description: The RISS Program was initially designed as a pilot program to test the benefits of establishing regionally based information sharing centers throughout the United States to service State and local criminal justice agencies. Once established, non-Federal sources would be sought for continuation of the various regional systems. Since then, the specific strategy has been to maintain the operations of the six existing regional information sharing centers: the Mid Atlantic-Great Lakes Law Enforcement Network; the Mid-States Organized Crime Information Center; the New England State Police Information Network; the Regional Organized Crime Information Center; the Western States Information Network; and the Rocky Mountain Information Network. Each of these projects is comprised of an information sharing capability, an intelligence analysis component, and a telecommunications system, and provides for investigative expenses in extraordinary situations, investigative equipment, technical assistance and training. In addition to these six information sharing projects, there is one other, LEVITICUS, which is a consortium of approximately 28 agencies in nineteen States committed to the investigation and prosecution of conspirators engaged in major white collar securities crimes. Each participating agency provides its enforcement resources, supplemented by Federal funds, and coordinates these resources with other agencies to focus on multi-jurisdictional offenses.

Accomplishments and Workload: The accomplishments of this activity are divided between the six Regional Information Sharing Systems and LEVITICUS. To date, LEVITICUS has referred over $484,359,050 in tax fraud cases to the IRS; criminal charges have been filed against 414 defendants in 226 cases; and civil charges have been filed against 310 individuals. In addition, as of September 30, 1989, the LEVITICUS project has resulted in the assessment of fines totalling $4,562,146, restitution payments of $13,606,867, and the recovery of equipment valued at $2,034,950.

The accomplishments of the six Regional Information Sharing System projects follow:

			Estimates	
Item	1988	1989	1990	1991
Membership	2,369	2,613	2,750	2,500
Inquiries	54,389	98,374	100,000	90,000
Hits	17,505	41,125	40,000	25,000
Arrests	5,253	6,071	6,200	6,200
Seizures	$222,351,278	$319,867,511	$175,000,000	$175,000,000
Property Seizures	$19,122,863	$95,447,449	$23,000,000	$23,000,000
Civil (RICO) Seizures	$305,884	$3,369,533	$2,000,000	$2,000,000

Program Change:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Regional Information Sharing System	...	...	$13,402	...	...	$9,750	...	...	-$3,652

A funding level of $9,750,000 is requested for this program for 1991, with Federal funding to be phased out over a three year period by requiring an escalating match from the State and local agencies participating in the RISS program. Since States and localities are the primary beneficiaries of this program, they should contribute resources. The match requirement in 1991 would be 25 percent, 1992 would be 50 percent, and 1993 would be 75 percent. In 1994, the participating agencies would assume 100 percent of the costs. The $9,750,000 requested for 1991, together with a 25 percent match from participating agencies, would provide $13,000,000 total for all RISS activities, supporting the continuation of existing program activities.

The request will provide funds to maintain the six regionally based information sharing centers that aid participating agencies in addressing major, multijurisdictional crimes and the LEVITICUS project, which has expanded its scope of operations to include precious metals investigations. LEVITICUS provides a multi-state, interagency program of coordination and support of member agency investigations and prosecutions of organized crime and major frauds in the coal, oil, natural gas, and precious metals industries.

Activity: Anti-Drug Abuse Program	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Anti-Drug Abuse Program......................	...	...	$444,737	...	...	$444,737	...	...	$490,000	...	...	$45,263

Long-Range Goal: To enhance State and local efforts to control drug use and drug-related crime, and to improve the functioning of the criminal justice system.

Major Objectives:

To encourage the establishment of drug policies, the development of strategies and reallocation or targeting of resources to increase the effectiveness and efficiency of drug control efforts.

To provide State and local criminal justice agencies with state-of-the-art information on innovative and effective programs, practices and techniques.

To improve and enhance the capability of State and local agencies to engage in effective drug control efforts.

To encourage and facilitate coordination and cooperation.

To assess the impact of activities on the drug problem and the criminal justice system.

Base Program Description: The purpose of the Drug Control and System Improvement Program is to assist States and units of local government in carrying out specific programs which offer a high probability of improving the functioning of the criminal justice system, with emphasis on violent crime and serious offenders. Special emphasis is placed on a nationwide and multilevel drug control strategy. Programs and projects are developed to assist multijurisdictional and multistate efforts to control drugs and to support national drug control priorities.

The Anti-Drug Abuse Act of 1988 authorizes programs in 21 purpose areas to control drugs and improve the criminal justice system. The legislation allocates 20 percent, or $50,000,000, whichever is less, to the discretionary grant program. The remaining funds are distributed to the States by a formula which provides each State a base amount of .25 percent of total funds available or $500,000, whichever is greater, with the remaining funds distributed to the States on a population share basis. Each State must prepare a statewide drug strategy, which serves as the basis for their application for funds. The fifty states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa and the Northern Mariana Islands are eligible to receive a formula grant award. The Bureau, through its discretionary grant program, tests and demonstrates the effectiveness of new programs, practices and techniques; provides technical assistance and training to State and local criminal justice practitioners; and implements programs that are national or multijurisdictional in scope.

Accomplishments and Workload: Much has been accomplished by the Bureau of Justice Assistance (BJA) and the States during the past year to increase the levels of coordination and cooperation among Federal, State and local agencies and among the criminal justice, drug treatment and education communities, resulting in a more effective utilization of resources. Model programs and new practices and techniques, which enhance the criminal justice system's ability to investigate, prosecute and adjudicate drug cases and to identify, punish and treat drug offenders have been identified and are being shared with practitioners throughout the country. This sharing of information is increasing the efficiency of the criminal justice system and public safety. Specific examples of accomplishments follow.

DRUG DEMAND REDUCTION ACTIVITIES:

McGruff the Crime Dog is being used to reach millions of children with a drug use prevention message. He is recognized by 99 percent of children between the ages of 6 and 12, and 97 percent say they try to do what McGruff tells them to do. Program initiatives are focused on five primary tasks: Community responses to drug abuse prevention, in conjunction with the National Training and Information Center of Chicago; Revision of the "No Show" video, replacing copies as necessary and distributing the balance to remaining school districts in the U.S.A.; Publishing and disseminating the Law Enforcement/Demand Reduction Guide to the majority of law enforcement agencies in the country; Establishing pilot demand reduction training for law enforcement and community leaders teams; distribution of selected reproducible NCPC drug abuse prevention materials to every elementary school in the nation that will include a survey of approximately 750 schools to assess the utility of the materials; and Drug abuse prevention initiatives for middle school students, initially focusing on behavior research.

The Drug Abuse Resistance Education (DARE) program places a uniformed officer in the classroom to teach a 17 part drug use prevention curriculum. Over 2,600 officers have received intensive training from BJA's Regional DARE Training Centers, nearly 800 programs have been implemented and an estimated 3 million students had been trained by the end of 1988.

DRUG LAW ENFORCEMENT ACTIVITIES:

In 1988, 4,626 high-level criminals were arrested and $205 million in cash, drugs and property were seized by the Organized Crime Narcotics Trafficking Enforcement projects implemented under BJA's discretionary grant program. These projects have demonstrated the effectiveness of the shared management concept as a model organizational structure for multijurisdictional task force operations.

The six operational Crack Task Force Demonstration projects made 2,625 felony crack/cocaine-related arrests and seized 329 pounds of crack and cocaine with an estimated street value of over $29 million. This program, like the Pharmaceutical Diversion and the Clandestine Laboratory Enforcement Programs, is demonstrating the effectiveness of the task force concept to address specific drug control problems.

New approaches to drug control are being tested through the Problem-Oriented Approach to Drug Enforcement, which brings line officers and community groups together to address their drug problem; the Street Sales Enforcement Program, which targets street-level drug dealers and users; and the Drug Recognition Program, which is testing the effectiveness of a non-intrusive method of identifying drug-impaired persons.

Over 700 multijurisdictional task forces and drug units have been established or expanded throughout the country as a result of the Anti-Drug Abuse Act. These task forces serve as the foundation for the drug strategies implemented by the States under the formula grant program.

DRUG PROSECUTION ACTIVITIES:

Initial investigations and prosecutions conducted by the Statewide Drug Prosecution Demonstration projects resulted in seizures of $33 million in drugs, $2.7 million in currency and property. Additional seizure under Racketeer Influence Corrupt Organizations (RICO) statutes were $5 million. This program is demonstrating the effectiveness of enhancing drug control efforts through the statewide coordination of narcotics and financial investigations and prosecutions.

Program Change:

	1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Anti-Drug Abuse Program	...	...	$444,737	...	...	$490,000	...	...	$45,263

A funding level of $490,000,000 is requested for this program for 1991. This represents an increase of $45,263,000 over the 1990 funding level of $444,737,000. Virtually all of the increase will be allocated to the States under the formula grant program ($364,000 would be available for the discretionary grant program) and will provide additional financial resources to enhance and improve State and local drug control efforts. This additional funding will enable State and local drug control agencies to consider new program initiatives for which 1990 funding was not available and will increase the Federal commitment to assisting State and local governments in their drug control initiatives.

Activity: Management and Administration	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Executive direction & control, NIJ	52	52	$3,219	52	52	$3,380	53	53	$3,380	1	1	...
Executive direction & control, BJS	52	52	2,970	52	52	3,135	53	53	3,135	1	1	...
Executive direction & control, OJJDP	62	62	3,077	62	62	3,248	53	53	2,798	-9	-9	-$450
Executive direction & control, BJA	58	58	3,156	58	58	3,336	58	58	3,336	...	...	...
Executive direction & control, OVC	28	28	1,375	28	28	1,480	28	28	1,480	...	...	...
OJP program support services	100	100	10,443	100	100	10,538	100	100	10,590	...	...	52
Total	352	352	24,240	352	352	25,117	345	345	24,719	-7	-7	-398

This activity consists of six sub-activities for the offices that provide executive direction and control and support services for the programs authorized by the Juvenile Justice and Delinquency Prevention Act, the Missing Children's Assistance Act, the Anti-Drug Abuse Act, and the Victims of Crime Act.

Long-Range Goal: To administer programs in the most effective and efficient manner possible.

Major Objectives:

To provide executive direction, control and coordination over the various OJP programs.

To develop an annual research and development program plan.

To manage and analyze results of individual research programs and monitor all current research projects.

To conduct in-house research on timely topics and provide policy briefings to senior officials.

Demonstration projects have been established in two states to encourage State Attorneys General to attack the economic base of drug trafficking enterprises using civil remedies available in state civil RICO statutes.

Prosecution programs initiated by the States include prosecution support for multijurisdictional task forces, special prosecutor and vertical prosecution units, career criminal prosecution programs, and crime laboratory enhancements.

DRUG CASE ADJUDICATION ACTIVITIES:

The Large Court Capacity Program, which monitors caseflow management in 26 large courts, promotes systemic and permanent improvement in court operations by developing performance standards for trial courts and assisting courts with delay problems.

Differentiated Case Management is providing courts with procedures to handle the growing number of drug cases by increasing the efficiency of the case management system. Differentiated Case Management was used by one large court to reduce the pending caseload, reduce the number of cases over 180 days in age and reduce the length of time to trial from 106 to 88 days, despite a 21 percent increase in filing.

BJA is providing the States guidance related to the use of drug testing to identify drug-involved offenders and to monitor their drug use while under correctional supervision through the Drug Testing and Intensive Supervision, Drug Testing Technology/Focused Offender Disposition, Drug Testing Technology Evaluation and Drug Testing Standards Programs.

The States are using formula grant funds to implement drug courts, enhanced court processing, treatment alternatives to street crime (TASC) and differentiated case management programs.

DETENTION, REHABILITATION AND TREATMENT OF DRUG OFFENDERS ACTIVITIES:

Through the Prison Capacity Program, BJA is assisting States in developing creative ways of addressing prison crowding, while providing appropriate sanctions for criminals, including the growing number of drug offenders.

The Comprehensive State Department of Corrections Treatment Strategy for Drug Abuse and Drug Treatment for State Correctional Programs are designed to help States reduce the rates of recidivism among drug offenders by providing a range of drug treatment programs in institutions and in conjunction with community supervision.

Intensive supervision probation and parole programs, which provide close supervision and frequent drug testing for drug-involved offenders, are being implemented under both the discretionary and the formula grant programs. A number of the programs are also testing the effectiveness of electronic monitoring of offenders.

To develop program models describing strategies to prevent and reduce crime.

To produce and disseminate policy-relevant research findings to criminal justice officials and agencies at the Federal, State, and local levels.

To maintain an effective and efficient criminal justice reference service.

To collect, analyze, and publish statistical information on crime and the operations of the justice systems at all levels of government.

To manage major national statistical series regarding crime, its victims, and the operation of the justice system.

To develop national standards for justice statistics to ensure the inter-State comparability, reliability and validity of justice statistics.

To provide support to State and local governmental organizations and facilities responsible for the collection and analysis of criminal justice data and statistics.

To develop statistical reports, focused analytic reports, bulletins and national advisories aimed at improving the understanding of the general public concerning crime, crime prevention, and the functions of law enforcement, judicial and correctional agencies.

To provide technical assistance to eligible institutions, agencies and individuals regarding implementation and operation of programs.

To direct and administer the Federal Surplus Property Transfer program and Private Sector/Prison Industry Enhancement Certification program.

To process and determine eligibility of claims for payment of benefits under the Public Safety Officers' Benefit program within two weeks of receipt of complete claims documentation.

To direct and administer the Anti-Drug Abuse program.

To direct and administer the Emergency Federal Law Enforcement Assistance program and the Regional Information Sharing System program.

To direct and administer the Missing Children's program and Juvenile Justice programs.

To administer a program which provides grants to eligible crime victim compensation programs and a program which awards grants to States to provide victim assistance programs.

To direct and administer a program which improves services to victims of Federal crimes.

To direct and administer a program which will improve the investigation and prosecution of child abuse on Native American reservations.

To direct and administer a training and technical assistance program aimed at eligible State crime victims programs.

To direct and administer a program that establishes and expands victim assistance services for crime victims in Indian Country in areas where the Federal Government has authority to investigate and prosecute crime.

To prepare and disseminate program solicitations; review applications, concept papers or proposals; rate applicants and award grants, contracts, and cooperative agreements.

To monitor all active grants, contracts, cooperative agreements, and interagency agreements.

To prepare annual reports as required.

To close out grants and contracts within 180 days of their end-date.

To provide grant review and award functions in the most economical and efficient centralized manner.

To provide the full range of support services to the program offices.

Base Program Description: The Office of Justice Programs (OJP) carries out policy coordination and general management responsibilities for the Bureau of Justice Assistance (BJA), Bureau of Justice Statistics (BJS), National Institute of Justice (NIJ), Office of Juvenile Justice and Delinquency Prevention (OJJDP), and the Office for Victims of Crime (OVC). Since the functions and responsibilities of the five program bureaus and offices are described in the justifications for those programs, they are not repeated here.

Accomplishments and Workload: The following table reflects some of the major workload and accomplishments of the Office of Justice Programs:

Item	1988	1989	Estimates 1990	Estimates 1991
Grants and contracts awarded by NIJ	111	125	135	150
Policy reports prepared and published by NIJ	32	35	38	48
Research, development and evaluation projects monitored	280	290	295	320
Criminal justice conferences and workshops sponsored by NIJ	18	16	14	16
Response to requests for criminal justice information	17,280	18,000	21,750	23,400
Statistical bulletins, special and technical reports	19	15	26	26
Other statistical reports prepared and published by BJS	12	12	14	20
Statistical reports disseminated (in thousands)	491	683	700	700
Responses to telephone requests for statistical information	6,896	7,156	7,200	7,200
Juvenile justice formula grants awarded	55	57	55**	...
Juvenile justice special emphasis grants awarded	38	12*	26	...
National institute of juvenile justice grants awarded	14	17*	23	...
Juvenile justice active grants monitored	300	300	200	200
Juvenile Justice interagency agreements entered into	4	4	2	...

* The 1988 amendments altered OJJDP's fund distribution formula, significantly reducing the amount of funds available for 1989 discretionary programs. Also, in 1989 there were no jail removal grants. Both of these factors contribute to the decrease in 1989 grant awards.

** Reduction is based on the elimination of eligibility and the phase out of funding of the Marshall Islands and Micronesia by the Compact of Free Association.

Item	1988	1989	Estimates 1990	Estimates 1991
High risk youth research programs/projects	5	4	6	5
High risk youth training projects	3	2	5	9
High risk youth demonstration projects	8	14	17	12
High risk youth information/dissemination projects	3	1	2	3
PSOB claims closed	240	306	316	316
PSOB appeals closed	8	7	9	9
Victim correspondence	3,200	3,400	3,500	3,600
Grant awards to victim compensation providers	38	42	42	46
Grant awards to States for victim assistance programs	55	59	59	59
Victim technical assistance to improve services to victim of Federal crimes	300	300	300	300
Anti-drug abuse formula grants awarded (number of States)	56	56	56	56
Anti-drug abuse formula grants monitored	112	168	168	168
Technical assistance provided to State and local governments by BJA (instances)	450	400	450	500
Demonstration projects funded by BJA	50	55	55	65
Demonstration projects monitored	100	155	155	160
Training workshops conducted by BJA	60	50	60	90
Special reports, programs briefs and program guides produced	30	25	35	35
Response to requests for drug control and criminal justice information	7,160	7,700	8,300	8,900

Program Changes:	1991 Base Perm. Pos.	1991 Base WY	1991 Base Amount	1991 Estimate Perm. Pos.	1991 Estimate WY	1991 Estimate Amount	Increase/Decrease Perm. Pos.	Increase/Decrease WY	Increase/Decrease Amount
Management and Administration	352	352	$25,117	345	345	$24,719	-7	-7	-$398

A net decrease of seven positions, seven workyears, and $398,000 is requested for 1991 in the following sub-activities:

Executive Direction and Control, NIJ:

In view of its substantially increased workload and the priority need for research in criminal drug use and less-than-lethal weapon development, the National Institute of Justice is requesting an increase of one position and one workyear. This position will be funded with existing funds available within the base. The position requested is needed to conduct major developmental work for the Less-than-Lethal Weapon Program. A technological research and development effort was endorsed by the Attorney General's Conference on Less-than-Lethal Weapons in June 1986. The total of police and civilian deaths during armed confrontations between 1977 and 1986 was almost 5,000. These human losses could be reduced or avoided if an alternative, non-lethal weapon were available to law enforcement officers to subdue, temporarily, dangerous suspects threatening the officers. To implement the research and development plan, and to manage the Institute's investment, one chemist/chemical engineer position is requested. As Assistant Program Manager for Technology Standards, the employee would conduct safety evaluations, delivery system development, and toxicity studies; report on program progress to the Technology Assessment Program Advisory Board and its subcommittees overseeing the research; monitor the activities and progress of the development subcontractor; and revise development plans based on testing findings. The employee would be a U.S. citizen eligible for a security clearance.

Executive Direction and Control, BJS:

An increase of one position and one workyear is requested in 1991 to support expanded functioning of the Bureau of Justice Statistics (BJS) Federal integrated data base. This data base links information collected by several offices and bureaus within the Department of Justice (DOJ) and represents the only single source of data linking the investigation, prosecution, adjudication, and sentencing of Federal offenders. This position will be funded with existing funds available within the base.

Under the expanded program, data will be collected from investigative and corresional agencies not currently participating in order to present a more comprehensive view of Federal activity. Data will also be collected on an expedited basis to permit current analysis of criminal justice activities and trends in order to anticipate impact on correctional programs. Additionally, new products will be developed to meet specific operational needs at the Federal level. These include: production of monthly reports which trace specific Federal criminal justice indicators and which provide ongoing analysis of data to permit real time response to departmental inquiries.

Due to the enthusiastic response within DOJ and the additional data and products that will be provided through the expanded program, one position is required to handle the anticipated heavy volume of requests for information and analyses. The professional in this new position will be a social science analyst who will act as a liaison between the requester of information and the contractor, a central point of contact to obtain information from the BJS Federal integrated data base. This position involves managing all requests and monitoring the quality, relevance and timeliness of the responses.

The individual in this position also would design reports to be prepared from the integrated data, perform limited in-house statistical analyses, prepare tables, and write reports for publication. In order for this data to be fully utilized by other offices, divisions, and bureaus within DOJ, as well as by Congress, researchers, and the general public, requests must be processed quickly and efficiently, and the information disseminated properly and in a timely manner. Without an additional staff member, BJS is not in a position to undertake these critical tasks, and the funding of this initiative will not be productive.

Executive Direction and Control, OJJDP:

A net decrease of nine positions, nine workyears and $450,000 is requested for Executive Direction and Control, Office of Juvenile Justice and Delinquency Prevention (OJJDP) in 1991. Since the 1991 President's budget request proposes a phase-out of the traditional Juvenile Justice Program, fewer workyears and financial resources are required for the Office. A decrease of sixteen positions and sixteen workyears is associated with the phase-out, however, of the positions and FTE that would otherwise be cut, OJJDP needs to retain seven for the proposed High Risk Youth discretionary program. The seven positions would be responsible for the coordination and implementation of all activities related to that program, including the development of the initiatives, the award and monitoring of projects, and clerical support. The request would leave a staff of 53 positions in 1991 to administer both the High Risk Youth and Missing Children programs and to responsibly close down the Juvenile Justice program. Although 1990 is proposed to be the last year of funding for the program, the existing grants will require monitoring, guidance and assistance for a few more years. The 1990 formula grants will still be active into mid-1993 and discretionary grants that were awarded in 1990 will still be active until at least 1992. To allow OJJDP to responsibly close out the program in a gradual, fiscally-sound fashion, an additional cut of sixteen positions will be proposed in 1992, another reduction of sixteen is anticipated in 1993, and the final reduction of ten positions would take place in 1994, leaving a staff of eleven to administer both the High Risk Youth and Missing Children programs.

OJP Program Support Services:

An increase of $52,000 is requested for migration of OJP's accounting system to the Justice Department's Financial Management Information System (FMIS), in compliance with the Department's goal to achieve OMB Circular A-127 requirements for a single modern integrated financial system. OJP, like other Federal agencies, must maintain a financial system to facilitate program management and control. Such a system is critical to the operation of OJP and must provide: support for formulation and budget execution; support processes necessary to manage and control programs, funds and other resources; and allow full disclosure of information necessary to the Congress, Treasury, OMB, GAO and the public. Conversion to the FMIS will improve the current financial management operation within OJP. This increase will provide the necessary funds to have the system operational during 1991.

Office of Justice Programs
Justice Assistance

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Research Evaluation and Demonstration Programs		Criminal Justice Statistical Programs		Juvenile Justice Programs		Missing Children	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades								
GS-14	...	...	...	...	...	...	...	...
GS-13	...	...	...	...	...	...	...	...
GS-7	...	...	...	...	...	...	...	...
GS-6	...	...	...	...	...	...	...	...
GS-5	...	...	...	...	...	...	...	...
Total positions and annual rate	...	...	...	...	...	...	...	...
Total workyears and personnel compensation	...	...	...	...	...	...	...	...
Personnel benefits	...	...	...	...	...	...	...	...
Travel and transportation of persons	...	...	...	...	...	...	...	...
Printing and reproduction	...	...	...	...	...	...	...	...
Other services	...	$1,758	...	$1,276	...	-$3,000	...	...
Supplies and materials	...	...	...	...	...	...	...	...
Grants, subsides and contributions	...	...	...	635	...	-58,905	...	$4,000
Total program workyears and obligations changes requested, 1991	...	1,758	...	1,911	...	-61,905	...	4,000

Office of Justice Programs
Justice Assistance

Financial Analysis - Program Changes (cont.)
(Dollars in thousands)

Item	Mariel Cubans		Regional Information Sharing System		Anti-Drug Abuse Program		Management & Administration		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS-14	...	...	...	...	...	...	-2	-$120	-2	-$120
GS-13	...	...	...	...	...	...	-2	-100	-2	-100
GS-7	...	...	...	...	...	...	-1	-20	-1	-20
GS-6	...	...	...	...	...	...	-1	-18	-1	-18
GS-5	...	...	...	...	...	...	-1	-16	-1	-16
Total positions and annual rate	...	...	...	...	...	...	-7	-274	-7	-274
Total workyears and personnel compensation	...	...	...	...	...	...	-7	-274	-7	-274
Personnel benefits	...	...	...	...	...	...	...	-44	...	-44
Travel and transportation of persons	...	...	...	...	...	...	...	-10	...	-10
Printing and reproduction	...	...	...	...	...	...	...	-5	...	-5
Other services	...	...	...	...	...	...	...	-59	...	-25
Supplies and materials	...	...	...	...	...	...	...	-6	...	-6
Grants, subsides and contributions	...	-$4,963	...	-$3,652	...	$45,263	...	...	...	-17,622
Total program workyears and obligations changes requested, 1991	...	-4,963	...	-3,652	...	45,263	-7	-398	-7	-17,986

Office of Justice Programs

Justice Assistance

Status of Congressionally Requested Studies, Reports, and Evaluations

1. Section 102(b) of the Anti-Drug Abuse Act of 1988 requires the Assistant Attorney General to submit an annual report to the President and Congress by March 31 of each year. The report will be submitted on time.

2. Section 810 of the Anti-Drug Abuse Act of 1988 requires the Assistant Attorney General, the Director of the Bureau of Justice Assistance, the Director of the Bureau of Justice Statistics, and the Director of the National Institute of Justice to submit to the President and the Speaker of the House of Representatives and the President of the Senate by April 1 of each year, a report on their activities from the preceding fiscal year. The annual reports for each unit will be submitted on time.

3. Section 404(a)(5) of the Missing Children's Assistance Act, as amended, requires the Administrator of the Office of Juvenile Justice and Delinquency Prevention to submit a report to the President and Congress not later than 180 days after the end of each fiscal year, which: (1) contains a comprehensive plan to facilitate coordination and cooperation among agencies and organizations with missing children responsibilities; (2) identifies effective Federal, State and local coordination and cooperation models for locating and recovering missing children; (3) identifies effective program models that provide treatment, counseling, or other aid to parents of missing children or children who have been victims of abduction; (4) describes how the Administrator provided adequate staff and agency resources to carry out title IV responsibilities; (5) describes the number and types of telephone calls received over the national toll-free telephone and the referrals to HHS's national communications system (runaway hotline); (6) describes the activities of the national resource center and clearinghouse; (7) describes all programs assisted under the Section 405 discretionary grant program in the preceding fiscal year; (8) summarizes all missing children research completed in the preceding year under title IV; and (9) identifies each clearinghouse assisted under Section 405(a)(9) in the preceding fiscal year, the activities carried out, the types and amount of other assistance received, and specifies the number and types of cases handled/resolved and the circumstances of each case. The report for fiscal year 1989 is due March 31, 1990 and will be submitted on time.

4. Section 408 of the Missing Children's Assistance Act, as amended, requires the Administrator of the Office of Juvenile Justice and Delinquency Prevention to begin a study within one year from the enactment of the 1988 amendments to determine obstacles to the recovery by legal custodians of children who have been removed by a noncustodial parent. The study is to be completed, and a report submitted to the Congress discussing and summarizing the results, within three years. The application for this study is in process of being awarded. The report is expected to be submitted on time.

5. Section 207 of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, requires the Administrator of the Office of Juvenile Justice and Delinquency Prevention to submit an annual report to the President and Congress within 180 days of the end of each fiscal year. The report must contain: (1) a detailed summary and analysis of juvenile custody data, including offender type, offense, race, gender, age, facility type, and death rate information; (2) a description of part A funded activities; (3) a description of each State's compliance with Section 223 and the State plan; (4) a summary of each part C or part D funded program or activity, evaluation information and an assessment of replication potential; and (5) a description of exemplary delinquency prevention on programs funded under title II. The report for fiscal year 1989 is due March 31, 1990 and will be submitted on time.

Office of Justice Programs

Justice Assistance

Status of Congressionally Requested Studies, Reports, and Evaluations (Cont'd)

6. Section 248 of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, requires the Administrator of the Office of Juvenile Justice and Delinquency Prevention to do two studies, each of which is to be started within one year from enactment of the 1988 amendments and completed within three years, with a description and summary of the results submitted to the Congress. The studies would: (1) review conditions in juvenile detention and correctional facilities, the extent to which such facilities meet national standards, and make recommendations to improve conditions in such facilities; and (2) determine (a) how American Indian and Alaskan Native juveniles accused of committing offenses on or near Indian reservations and Alaskan Native villages, respectively, are treated under reservation/village justice systems that perform law enforcement functions; (b) the financial resources available to Indian tribes and Alaskan Native organizations that perform law enforcement functions to support community-based alternatives to incarcerating juveniles; and (c) the extent to which such tribes and organizations comply with the DSO, separation and jail removal requirements of the JJDP Act. Applications for both studies are in process of being awarded. Reports are expected to be submitted on time.

7. Section 520(c) of the Anti-Drug Abuse Act of 1988 requires the Director of the National Institute of Justice to annually report to the President, the Attorney General, and the Congress on the nature and findings of the evaluation and research and development activities under Sections 501(c), 506 and 511. The Institute will report on its activities to initiate an evaluation of anti-drug programs and will report on anti-drug research and development projects shortly after the conclusion of the first year after passage of the Act. The report is scheduled for completion in early April, 1990.

8. Section 522(b) of the Anti-Drug Abuse Act of 1988 requires the Director of the Bureau of Justice Assistance not later than 180 days after the end of each fiscal year to submit to Congress a report that includes with respect to each State (1) the aggregate amount of grants made under subpart 1 and subpart 2 to such State for such fiscal year; (2) the amount of such grants awarded for each of purposes specified in subpart 1; (3) a summary of the information provided in compliance with paragraphs (1) and (2) of subsection (a); (4) an explanation of how Federal funds provided under this part have been coordinated with Federal funds provided to States for drug abuse education, prevention, treatment, and research activities; and (5) evaluation results of programs and projects and State strategy implementation. The report will be submitted on time.

9. Section 609U of the Anti-Drug Abuse Act of 1988 requires the Attorney General to submit to the President and Congress by April 1 of each year, a report describing Federal law enforcement emergency assistance provided during the calendar year preceding the date the report is made. The report will be submitted on time.

Note: Congressionally requested annual reports for OJP agencies are expected to be published in a consolidated OJP annual report.

Office of Justice Programs

Justice Assistance

Priority Rankings

Base Program	
Program	Ranking
Management and Administration	1
Criminal Justice Statistical Programs	2
Research, Evaluation, and Demonstration Programs	3
Missing Children	4
Anti-Drug Abuse Program	5
Juvenile Justice Programs	6
Regional Information Sharing System	7
Mariel Cubans	8

Program Increases	
Program	Ranking
Criminal Justice Statistical Programs	1
Research, Evaluation, and Demonstration Programs	2
Anti-Drug Abuse Program	3
Missing Children	4

Office of Justice Programs

Justice Assistance

Detail of Permanent Positions by Category
Fiscal Years 1989 - 1991

Category	1989 Authorized	1990 Authorized	1991		
			Program Increases	Program Decreases	Total
Attorneys(905)	12	12	...	...	12
Other Legal and Kindred (900-998)	2	2	...	...	2
Social Sciences, Economic and Kindred (100-199)	96	102	1	-5	98
Personnel Management (200-299)	10	10	...	...	10
General Admin., Clerical and Other Services (300-399)	132	144	...	-4	140
Accounting and Budget (500-599)	22	22	...	...	22
Engineering and Architecture Group (800-899)	1	1	1	...	2
Information and Arts Group (1000-1099)	9	9	...	...	9
Business and Industry Group (1100-1199)	14	14	...	...	14
Library and Archives Group (1400-1499)	3	3	...	...	3
Mathematics and Statistics Group (1500-1599)	30	30	...	...	30
Equipment, Facilities and Service Group (1600-1699)	1	1	...	...	1
Supply Group (2000-2099)	2	2	...	...	2
Total	334	352	2	-9	345
Washington	334	352	2	-9	345

Office of Justice Programs
Justice assistance
Summary of Change
(Dollars in thousands)

	Perm. Pos.	Work-years	Amount
Department of Justice Appropriations Act, 1990	...	...	$309,976
Department of Transportation Appropriations Act, 1990 Emergency Drug Funding	...	...	308,821
1990 as enacted	352	352	618,797
1990 Sequestration	...	...	-4,507
1990 appropriation anticipated	352	352	614,290
Adjustments to base:			
Mandatory increases:			
One additional compensable day	...	...	61
1990 full-year pay increase impact on 1991[1]	...	...	849
1991 pay increase	...	...	333
Senior Executive Service pay increase	...	...	82
Special salary rates	...	...	17
Health benefits	...	...	11
GPO printing costs	...	...	45
Employee data and payroll services	...	...	4
Total, mandatory increases	...	...	1,402
Decreases:			
Non-recurring costs for Emergency Assistance	...	...	-9,927
GSA rent	...	...	-193
Federal Telecommunications System (FTS)	...	...	-68
Federal Employees' Compensation Act (FECA) - Unemployment Compensation	...	...	-3
Total, decreases	...	...	-10,191
1991 Base	352	352	605,501
Program changes:			
Research, Evaluation and Demonstration Programs	...	...	1,758
Criminal Justice Statistical Programs	...	...	1,911
Juvenile Justice Programs	...	...	-61,905
Missing Children	...	...	4,000
Mariel Cubans	...	...	-4,963
Regional Information Sharing System	...	...	-3,652
Anti-Drug Abuse Program	...	...	45,263
Management and Administration	-7	-7	-398
Total, program changes	-7	-7	-17,986
1991 Estimate	345	345	587,515

[1] The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.

Office of Justice Programs

Justice Assistance

Justification of Adjustments to Base
(Dollars in thousands)

Mandatory increases:	Amount
1. One additional compensable day.......... The annual salary rate for Federal employees is based on 260 paid days. During 1991 there is one more compensable day (261) than 1990 (260). Appropriate personnel benefits are included in this figure. (Permanent personnel compensation $13,824/260 = $53,000 plus $8,000 for benefits.)	$61
2. 1990 full-year pay increase impact on 1991.......... This request provides for the full-year pay increase of 3.6 percent as contained in the general provisions of the U.S. Treasury, Postal Services and General Government Appropriations Bill, 1990, for civilian and military personnel to be effective in January of 1990. The Department will be required to absorb the total pay raise in 1990. The requested increase of $849,000 is the amount required for full-year funding in 1991. NOTE: The 1991 budget requests an increase to fund the reductions made in 1990 to cover the 1990 pay raise. The details of the reductions have not yet been identified by the Department, but will include deferral of equipment purchases, hiring staff, and reducing other expenses such as travel funds. For display purposes, however, this requested increase is reflected in the following detail as a mandatory increase and built into the 1991 base.	849
3. 1991 pay increase.......... For the first time, the Administration is proposing to include the costs of the pay increase effective in the budget year with the initial budget request. This request provides for 50 percent of the proposed 4.0 percent pay increase effective in January of 1991. The Department will be required to absorb half of the costs of this pay raise. The amount requested, $333,000, is the cost of the pay increase for approximately three-quarters of the year assuming a 50-percent absorption.	333
4. Senior Executive Service pay increase.......... This request represents the 1991 costs of the pay increase for senior executive service employees. This pay raise is to be effective in January of 1990, but will be absorbed completely for the first year. In 1991, an increase of $82,000 is necessary for this requirement. Funding for the executive level employees pay raise is completely absorbed in both years.	82
5. Special Salary Rates.......... This request provides increases as authorized by law in 5 U.S.C. 5303. The Office of Personnel Management (OPM) has approved these rates for positions where retention and recruitment of qualified applicants is a problem. The Department's request represents coverage of 33 authorized special rates.	17

	Amount
6. Health Benefits	$11
The Federal Employees Health Benefits Act (P.L. 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective for the first pay period after January 1, 1990, the actual contribution to health insurance increased 29 percent. The requested increase of $11,000 provides funds for actual increased costs form pay period 1 to pay period 2, projected for a full year.	
7. Government Printing Office (GPO) printing costs	45
The GPO is currently projecting a seven percent increase over the 1990 printing costs of $645,000. An additional $45,000 will be required in 1991.	
8. Employee data and payroll services	4
Centralized employee data and payroll services are provided to all Departmental organizations except the Federal Bureau of Investigation. Charges for these services, which include information systems, maintenance and payroll accounting, are based on the number of employee records maintained. The rate of $188.23 per record in 1990 will be raised to $199.52 per record for 1991. The change is based on anticipated mandatory cost increases of 6 percent for the operation of the Justice Employee Data Service. An increase of $4,000 will be required in 1991.	
Total mandatory increases	1,402
Decrease (Automatic non-policy):	
1. Non-recurring costs for Emergency Assistance	-9,927
Decrease for funds provided in 1990 to assist those localities most devastated by Hurricane Hugo and to assist localities in California which suffered from the impact of the earthquake of October 17, 1989.	
2. GSA rent	-193
This decrease reflects GSA's projected rental charges for 1991.	
3. Federal Telecommunications System (FTS)	-68
In 1991, the General Services Administration (GSA) is to have the FTS 2000 system fully implemented. At present GSA projections indicate costs for current FTS minute usage charges will decrease from 34 cents per minute to 18 cents per minute. The requested reduction of $68,000 from a 1990 base of $204,000, reflects this decrease.	
4. Federal Employees' Compensation Act (FECA) - Unemployment Compensation	-3
This decrease reflects the billing provided by the Department of Labor for the actual costs in 1989 of employees' unemployment compensation. The 1991 amount will be $6,000 or $3,000 less than the 1990 base.	
Total decreases	-10,191
Total, adjustments to base	-8,789

Office of Justice Programs
Justice Assistance
Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Grades and salary ranges	1989 Actual		1990 Estimate		1991 Estimate		Increase/Decrease	
	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount	Positions & Workyears	Amount
Executive Level IV, $83,600	6		6		6		...	
ES-5, $81,400	1		1		1		...	
ES-4, $79,200	5		5		5		...	
ES-3, $77,600	2		2		2		...	
ES-2, $74,400	1		1		1		...	
GS/GM-15, $59,216-76,982	32		32		32		...	
GS/GM-14, $50,342-65,444	62		64		62		-2	
GS/GM-13, $42,601-55,381	67		69		67		-2	
GS-12, $35,825-46,571	46		46		46		...	
GS-11, $29,891-38,855	13		15		15		...	
GS-10, $27,206-35,369	1		1		1		...	
GS-9, $24,705-32,121	24		28		28		...	
GS-8, $22,367-29,081	9		10		10		...	
GS-7, $20,195-26,252	23		30		29		-1	
GS-6, $18,174-23,628	14		14		13		-1	
GS-5, $16,305-21,201	18		18		17		-1	
GS-4, $14,573-18,947	8		8		8		...	
GS-3, $12,982-16,879	2		2		2		...	
1991 pay increase	...	...	...	...	...	$288	...	$288
Total, appropriated positions	334	$13,871	352	$14,784	345	15,230	-7	446
Pay above stated annual rates	...	...	...	...	...	53	...	53
Lapses	-61	-2,257	-50	-2,172	-8	-250	42	1,922
Savings due to lower pay scales	...	-47	...	-117	...	...	...	117
Net full-time permanent	273	11,567	302	12,495	337	15,033	35	2,538
Other than permanent:								
Part-time permanent	8	281	8	298	5	190	-3	-108
Temporary employment	42	1,915	42	2,062	3	90	-39	-1,972
Other personnel compensation:								
Overtime	1	26	...	30	...	30	...	...
Other compensation	...	176	...	220	...	220	...	...
Special personal services payments	...	325	...	150	...	150	...	...
Total, workyears and personnel compensation	324	14,290	352	15,255	345	15,713	-7	458
Average ES Salary		($75,638)		($78,555)		($78,555)		
Average GS/GM Salary		($39,693)		($40,282)		($42,488)		
Average GS/GM Grade		(11.27)		(11.14)		(11.18)		

Office of Justice Programs

Justice Assistance

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1989 Actual Workyears	1989 Actual Amount	1990 Estimate Workyears	1990 Estimate Amount	1991 Estimate Workyears	1991 Estimate Amount	Increase/Decrease Workyears	Increase/Decrease Amount
11 Personnel compensation:								
11.1 Full-time permanent	273	$11,567	302	$12,495	337	$15,033	35	$2,538
11.3 Other than full-time permanent	50	2,196	50	2,360	8	280	-42	-2,080
11.5 Other personnel compensation	1	202	...	250	...	250	...	...
11.8 Special personal services payments	...	325	...	150	...	150	...	...
Total	324	14,290	352	15,255	345	15,713	-7	458
Other objects:								
12 Personnel benefits		2,050		2,385		2,514		129
13 Benefits of former personnel		10		10		7		-3
21 Travel and transportation of persons		633		810		841		31
22 Transportation of things		29		3		3		...
23.1 GSA rent		1,832		2,377		2,184		-193
23.2 Rental payments to others		51		60		62		2
23.3 Communications, utilities and miscellaneous charges		1,170		1,026		958		-68
24 Printing and reproduction		1,046		950		955		5
25 Other services		28,421		33,318		29,373		-3,945
26 Supplies and materials		393		327		300		-27
31 Equipment		256		430		150		-280
41 Grants, subsidies, and contributions		243,102		576,348		534,455		-41,893
42 Insurance claims and indemnities		22,525		2,711		...		-2,711
Total obligations	324	315,808	352	636,010	345	587,515	-7	-48,495
Relation of obligations to outlays:								
Recovery of prior year obligations		-5,282		...		...		
Unobligated balance, start-of-year		-11,224		-21,720		...		
Unobligated balance, end-of-year		21,720		...		...		
Total requirements		321,022		614,290		587,515		
Relation of obligations to outlays:								
Total obligations		315,808		636,010		587,515		
Obligated balance, start-of-year		424,753		370,404		607,209		
Obligated balance, end-of-year		-370,404		-607,209		-709,937		
Adjustments in expired accounts		-5,282		...		...		
Outlays		364,876		399,205		484,787		

Office of Justice Programs

Justice Assistance

Consulting and Related Services

(Dollars in thousands)

	1989 Actual	1990 Estimate	1991 Estimate
Consulting Services	$117	$119	$121
Management and Professional Services	2,210	2,000	2,000
Special Studies and Analysis	165	130	100
Total	2,492	2,249	2,221

Consulting and related services are used in the Office of Justice Programs (OJP) only when the required services are most cost effective to contract out. The majority of our management and professional support services are required to support mandated program areas which have been selected for national emphasis.

The OJP is reporting a level of consulting and related services that is significantly less than the level reported in previous years, for the following two major reasons:

1. The Contracts Division has been closely reviewing each contract request to determine if the required services directly relate to OMB Circular A-120.
2. The Contracts Division has improved its internal controls on accurate reporting of Federal Procurement Data System (FPDS) service codes.

Office of Justice Programs

Crime victims fund

Summary Statement

Fiscal Year 1991

The Crime Victims Fund was established by the Victims of Crime Act of 1984, as amended by the Children's Justice Assistance Act of 1986 and reauthorized by the Anti-Drug Abuse Act of 1988 (P.L. 100-690). Current legislation provides for the deposit into the Fund of Federal criminal fines, bond forfeitures, and penalty assessments up to $125,000,000. These funds are used for five programs: 1) reimbursements to States for victim compensation programs (40% of their prior year expenditures); 2) allocations to each State for the purpose of providing services, other non-financial assistance, and limited emergency financial assistance to victims of crime; 3) training and/or technical assistance services to eligible crime victims assistance programs, Federal law enforcement officers, prosecutors and victim/witness coordinators, and for the financial support of victims of Federal crime by eligible crime victim assistance programs; 4) Children's Justice/Child Abuse Prevention and Treatment grants, a program administered by the Department of Health and Human Services; and 5) of the Children's Justice allocation, 15 percent is retained by the Office for Victims of Crime to be used for Native American tribes to improve the handling of child abuse cases. Currently, the judicial branch will receive any amount collected above the $125,000,000 cap -- up to $2,200,000, for administrative costs. Any funds collected that exceed $127,200,000 will be transferred to the General Fund of the Treasury. Collections are expected to total at least $127,200,000 in 1990. The Fund would obligate $125,000,000 and $2,200,000 would be transferred to the Administrative Office of the U.S. Courts.

Office of Justice Programs

Crime Victims Fund

Summary of Requirements
(Dollars in thousands)

Financing	1989 Actual	1990 Estimate	1991 Estimate
Unappropriated balance, start of year	$93,559	$133,540	$127,200
Receipts a/	133,540	127,200	127,200
Transfer to General Fund	...	-6,340	...
Transfer to Administrative Office of U.S. Courts	...	-2,200	-2,200
Unappropriated balance, end of year	-133,540	-127,200	-127,200
Appropriation	93,559	125,000	125,000
Unobligated balance available, start of year	18,508	1,999	1,750 c/
Unobligated balance available, end of year	-1,999	-1,750 c/	...
Obligations	110,069 b/	125,249	126,750
Obligations by Program			
Victim compensation	61,144	56,301	57,418
Victim assistance	43,494	55,898	57,418
HHS/Children's Justice	3,579	9,194	9,456
Children's Justice/Native American	...	1,297	684
Federal Program	1,851	2,559	1,774
Total Obligations	110,069 b/	125,249	126,750

a/ Funds are obligated the year after they are collected.
b/ Does not add due to rounding.
c/ 1990 Sequestered amount, will become available for obligation in 1991.

Office of Justice Programs
Crime Victims Fund
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

Activity: Crime Victims Fund	1989 Obligations			1990 Estimated Obligations			1991 Estimated Obligations			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Crime Victims Fund	...	...	$110,069	...	...	$125,249	...	...	$126,750	...	...	$1,501

Long Range Goal: To encourage all States and Federal territories to provide victims of crime access to compensation and assistance programs designed to reduce the emotional, financial, and physical effects of victimization, and to support and facilitate the participation of crime victims in the criminal justice process.

Major Objectives:

To implement the provisions of the Victims of Crime Act of 1984, as amended by the Anti-Drug Abuse Act of 1988 (P. L. 100-690).

To monitor State compensation and victim assistance programs to ensure compliance with Federal guidelines.

To monitor State victim assistance grants for Native American reservations.

To provide technical assistance to the States in implementing victim assistance and victim compensation programs.

To provide technical assistance to the Native American organizations which serve Federal crime victims.

To compile and analyze data submitted by the State programs.

To monitor compliance with the Attorney General's Guidelines for Victim and Witness Assistance in agencies with Federal law enforcement or prosecutorial responsibilities.

To provide technical assistance support to Federal victim/witness coordinators, other U.S. Attorney and Federal investigative personnel.

To provide limited, direct assistance to unserved victims of Federal crimes.

To develop and implement a program to improve handling of child abuse cases on Native American Indian Reservations.

To provide training for Federal law enforcement agencies regarding implementation of the Victim Witness Protection Act.

To manage national scope discretionary grants that provide information or training to improve services to crime victims.

Base Program Description: The Victims of Crime program is funded by collections of fines, penalty assessments, and bond forfeitures from people convicted of Federal crimes. The Fund was established by the Victims of Crime Act of 1984, (P. L. 98-473) as amended by the Children's Justice and Assistance Act of 1986 (P. L. 99-401) and reauthorized by the Anti-Drug Abuse Act of 1988 (P. L. 100-690). Up to $125 million may be deposited into the Crime Victims Fund in 1989, 1990, and 1991. Beginning in 1992 the cap is raised to $150 million. If deposits into the Fund exceed $100 million, the next $5.5 million shall be available for the Children's Justice program. Any available amount in excess of $105.5 million and up to $110 million would be available for the Victim Assistance program for States. Of the money deposited in the Fund above $110 million and up to the cap of $125 million, 47.5% will be made available for compensation programs under Section 1403; 47.5% will be made available for assistance programs under Section 1404(a); and 5% will be made available for direct services to victims of Federal crime under Section 1404(c)(1)(B). Up to $2.2 million collected, in excess of $125 million, will be made available for the judicial branch by the Treasury Department. Funds are not obligated during the year of collection. Instead, they are allowed to accumulate for one year so that the total amount available for obligation for the next year is determined in advance. Approximately $93.5 million was deposited into the Fund during 1988 and collections exceeded the $125 million cap in 1989. It is anticipated that collections will also exceed $125 million in 1990.

Funds are targeted at five program areas: 1) Crime Victim Compensation - The legislation sets aside 49.5 percent of the first $100 million in the Fund for this purpose. These funds are distributed to the States on the basis of 40 percent of their eligible victims compensation payouts during the preceding fiscal year. 2) Crime Victim Assistance - Forty-five percent of the first $100 million in the Fund is set aside to be awarded to States for the purpose of providing services, other non-financial assistance, and limited emergency financial assistance to victims of crime. Priority must be given to eligible crime victim assistance programs which provide assistance to victims of sexual assault, spousal abuse, child abuse, and victims previously underserved. Recipient organizations eligible for victim assistance funding would be non-profit organizations, agencies of State or local governments (or combinations of such entities) which provide services to victims of crime, including crisis intervention services, emergency aid, and assistance to victims - participating in criminal justice proceedings. 3) Federal Victims Assistance - Up to $1.75 million of the Crime Victim's Fund shall be allocated for the financial support of services to victims of Federal crime and for training and technical assistance services to eligible crime victims assistance programs. 4) Children's Justice - The legislation requires that up to $10 million shall be transferred to the Department of Health and Human Services for grants to States to assist in developing, establishing, and operating programs designed to improve the handling of child abuse cases and the investigation and prosecution of cases of child abuse, particularly child sexual abuse. 5) Children's Justice/Native American - The 1988 amendments require that 15 percent of the first $4.5 million earmarked for the Children's Justice Act be retained by OVC to conduct projects with similar purposes as the HHS program but aimed at Native American Indian tribes.

Management and Administration expenses for the Office for Victims of Crime are included in the "Justice assistance" appropriation.

Accomplishments and Workload: During 1989, the Office for Victims of Crime (OVC) awarded $44,922,000 to 42 States for victim compensation programs and $43,492,000 to 59 States and territories for victim assistance programs. In 1990, the Office anticipates awarding up to $55,832,000 to 42 States for victim compensation and $55,832,000 to 59 States and territories for victim assistance. One or two meetings of appropriate State officials are to be convened by the Office to facilitate monitoring and administrative review of the compensation and assistance grant programs. Training and technical assistance was provided to State administrators during 1989.

In 1990, the Office completed grants with the Task Force on Families in Crisis, and the Illinois Coalition Against Domestic Violence to further implement recommendations of the President's Task Force on Victims of Crime. The Office also completed grants to several national organizations for training and technical assistance to victim assistance programs, grants to study the role of law enforcement in child abuse cases, to provide direct services to sexually exploited minors and to conduct training in this area; to provide training to clergy on domestic violence issues; to strengthen and increase the number of chapters nationwide; and, training for mental health professionals regarding treatment of victims with crime related mental health problems. OVC and the Executive Office for U. S. Attorneys jointly sponsored a training conference on assisting victims of Federal crime and improving law enforcement coordination. Representatives from U. S. Attorneys' offices with responsibilities in those areas attended. OVC will transfer funds to the Executive Office for U. S. Attorneys (EOUSA) to cover the expenses of recently hired Victim-Witness Coordinators who will spend up to a week observing and learning about the programs of more experienced Coordinators. OVC will continue its policy of periodically mailing victim-related information to

Victim-Witness Coordinators. To directly aid victims of Federal crime, OVC will transfer up to $80,000 to EOUSA to be used by U. S. Attorneys, with OVC approval, to provide emergency services to Federal victims when no other services exist. Additionally, OVC will continue its efforts by once again establishing a fund totalling $490,000 for a discretionary grant program to the States to support the development of programs to assist Federal victims of crime in Indian country. In March 1990, OVC and the National Children's Advocacy Center in Huntsville, Alabama co-sponsored a training conference on child sexual abuse and OVC provided funds to EOUSA to allow for Federal attendees at the conference. OVC will again work with EOUSA to provide specialized training in this area for Federal law enforcement officials, including Assistant U. S. Attorneys, LECC/Victim-Witness Coordinators, and Federal investigators who will attend this conference.

Initiatives in 1990 and 1991 include two national conferences on developing victim assistance services for crime victims in Indian country; grants to Parnside to improve services for survivors of homicide, a grant to improve state compensation services, regionally based training for local and state law enforcement agencies on responding to family violence, Children's Justice Act (CJA) grants made directly to Indian tribes to improve the investigation, prosecution and handling of cases of child abuse, particularly child sexual abuse; and a training and technical assistance program to assist Victim Assistance in Indian Country subgrantees and CJA grantees to establish "on reservation" services and train their personnel. Efforts begun in 1989 that will be continued through 1990 and 1991 include training for Federal law enforcement officers, Assistant U.S. Attorneys and Victim/Witness Coordinators, a transfer of funds to enable U.S. Attorneys to provide emergency services to Federal victims and continued support for the grant program to states for the development of victim assistance services in Indian country. On January 18-19, 1990, OVC sponsored special training for Federal, state, and tribal officials in Scottsdale, Arizona on effective approaches to combatting child exploitation and responding to the large numbers of sexually exploited children.

Program Change:	1990 Obligations			1991 Obligations			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Crime Victims Funds..................	...	...	$125,249	...	...	$126,750	...	...	$1,501

The following chart displays a breakdown of estimated obligations by program. The obligation amount for 1990 includes the $125,000,000 collected in 1989 less the sequestered amount of $1,750,000 and the unobligated balance of $1,999,050 carried over from prior years. 1991 obligations will include the $125,000,000 anticipated 1990 collections and $1,750,000 that was sequestered in 1990.

	Estimated 1990 Obligations			Estimated 1991 Obligations		
	1990 Allocation of 1989 Collections *	Unobligated Carryover	Total	Allocation of 1990 Collections	Unobligated Carryover **	Total
Compensation..................................	$55,832	$469	$56,301	$56,625	$793	$57,418
Assistance....................................	55,832	66	55,898	56,625	793	57,418
HHS/Children's Justice........................	9,194	...	9,194	9,325	131	9,456
Children's Justice/Native American............	666	631	1,297	675	9	684
Federal Program...............................	1,726	833	2,559	1,750	24	1,774
Total...	123,250	1,999	125,249	125,000	1,750	126,750

* Post sequester/obligation limitation.

** Amount unobligated in 1990 as a result of Deficit Reduction target, available for obligation in 1991.

Office of Justice Programs

Crime Victims Fund

Status of Congressional Requested Studies, Reports, and Evaluations

Section 1407(g) of the Victims of Crime Act of 1984, as amended by the Anti-Drug Abuse Act of 1988, requires that the Director of the Office for Victims of Crime shall on December 31, 1990, and on December 31 every two years thereafter, report to the President and to the Congress on the revenue derived from each source described in section 1402 and on the effectiveness of the activities supported under this chapter. The Director may include in such report recommendations for legislation to improve this chapter. The report will be submitted on time.

Office of Justice Programs

Crime Victims Fund

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1989 Actual		1990 Estimate		1991 Estimate		Increase/Decrease	
	Workyears	Amount	Workyears	Amount	Workyears	Amount	Workyears	Amount
11 Personnel compensation:								
11.1 Full-time permanent	...	...	...	...	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...	...	...	...	...
11.5 Other personnel compensation	...	...	...	...	...	...	...	...
11.8 Special personal services payments	...	...	...	...	...	...	...	...
Total	...	...	...	...	...	...	...	...
Other objects:								
12 Personnel benefits		...		...	...	...	...	...
13 Benefits of former personnel		...		...	...	...	...	...
21 Travel and transportation of persons		$7		...	...	...	...	...
22 Transportation of things		...		...	...	...	...	...
23.1 Standard level user charges		...		...	...	...	...	...
23.2 Rental payments to others		...		...	...	...	...	...
23.3 Communications, utilities and miscellaneous charges		...		...	...	...	...	...
24 Printing and reproduction		...		...	...	...	...	...
25 Other services		348		...	...	...	...	...
26 Supplies and materials		5		...	...	...	...	...
31 Equipment		...		...	...	...	...	...
41 Grants, subsidies, and contributions		109,709		$125,249	...	$126,750	...	$1,501
42 Insurance claims and indemnities		...		...	...	...	...	...
Total obligations		110,069		125,249		126,750	...	1,501
Relation of obligations to outlays:								
Obligated balance, start-of-year		66,281		93,901		109,575		
Obligated balance, end-of-year		-93,901		-109,575		-108,080		
Adjustments in unexpired accounts		-2,006		...		...		
Outlays		80,442		109,575		128,245		

Department of Justice

Office of Justice Programs

Public Safety Officers Benefits

Estimates for Fiscal Year 1991

Table of Contents

Item	Page Number
Summary Statement	1
Justification of Proposed Changes in Appropriation Language	2
Crosswalk of 1990 Changes	3
Summary of Requirements	4
Justification of Program and Performance	5
Summary of Change and Justification of Adjustments to Base	8
Summary of Requirements by Grade and Object Class	9

Office of Justice Programs

Public Safety Officers Benefits

Summary Statement

Fiscal Year 1991

The Office of Justice Programs is requesting, for 1991, a total of $26,075,000 for the Public Safety Officers' Benefits Program. This request represents an increase of $1,257,000 over the 1990 enacted appropriation.

This program provides for payment of a death benefit to eligible survivors of Federal, State, and local public safety officers whose death was the result of a traumatic injury sustained in the line of duty. Public safety officers covered by the program include, but are not limited to, police, corrections, probation, parole and judicial officers, public ambulance or rescue squad members, and firefighters. Amendments in the Anti-Drug Abuse Act of 1988 raised the benefit from $50,000 to $100,000 and provided for an annual cost of living escalation that is tied to the Consumer Price Index (CPI). The requested amount represents the base funding level, which includes a mandatory adjustment for the anticipated CPI increase.

Office of Justice Programs
Public Safety Officers Benefits
Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Public Safety Officers Benefits

For payments authorized by part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796), as amended, [$25,000,000], *to remain available until* expended as authorized by section 6093 of Public Law 100-690 (102 Stat. 4339-4340).

$26,075,000

(Department of Justice Appropriations Act, 1990.)

Explanation of Change:

1. No substantive change proposed.

Office of Justice Programs

Public Safety Officers Benefits

Crosswalk of 1990 Changes
(Dollars in thousands)

	1990 President's Budget Request			Congressional Appropriation Actions on 1990 Request			1990 Sequestration			Reprogrammings			1990 Anticipated		
Activity/Program	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
1. Public Safety Officers Benefits' Program	...	...	...	...	...	$25,000	...	...	-$182	...	...	...	...	...	$24,818
Total................................	...	...	...	...	...	25,000	...	...	-182	...	...	...	...	...	24,818

Congressional Appropriation Action. The Congress established a new account (current and indefinite) for the Public Safety Officers' Benefits Program in 1990. This program was included in the "Justice Assistance" account in the 1990 President's Budget.

1990 Sequestration. In accordance with P.L. 101-239, the Omnibus Budget Reconciliation Act of 1989, the Public Safety Officers' Benefits program was reduced by $182,000.

Office of Justice Programs

Public Safety Officers Benefits

Summary of Requirements
(Dollars in thousands)

Adjustments to base:	Perm. Pos.	Work-years	Amount
1990 enacted	...	...	$25,000
1990 Sequestration	...	...	-182
1990 appropriation anticipated	...	...	24,818
Manadatory increases	—	—	1,257
1991 base	...	...	26,075

	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by budget activity:	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
1. Public Safety Officers Benefits Program	...	...	$24,818	...	...	$26,075	...	...	$26,075	...	...	...
Total	...	...	24,818	...	...	26,075	...	...	26,075	...	...	...

Office of Justice Programs
Public Safety Officers Benefits
Justification of Program and Performance
Activity Resource Summary
(Dollars in thousands)

Activity: Public Safety Officers' Benefits Program	1990 Appropriation Anticipated			1991 Base			1991 Estimate			Increase/Decrease		
	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount	Perm. Pos.	WY	Amount
Public Safety Officers' Benefits Program.......	...	...	$24,818	...	...	$26,075	...	...	$26,075	...	...	...

Long-Range Goal: To provide a death benefit payment to survivors of Federal, State and local public safety officers who have died as a result of personal injury sustained in the line of duty.

Major Objectives:

To pay eligible claims within two weeks of the filing of a fully documented claim.

To issue determinations on ineligible claims within four weeks of the filing of the fully documented claim.

To conduct an appeal hearing within 60 days of an appellant's request.

To issue the appeal determination within 30 days of the official close of the appeal hearing.

Base Program Description: This activity addresses death benefits for the eligible survivors of Federal, State and local public safety officers who die from injuries received in the line of duty. P.L. 100-690 (42 U.S.C. 3796) authorizes payment of a death benefit when a Federal, State or local law enforcement officer, fire fighter, corrections officer, judicial official or public ambulance or rescue squad member dies, in a duty status, as the direct and proximate result of a traumatic injury. On November 18, 1988, President Reagan signed the Anti-Drug Abuse Act of 1988 (P.L. 100-690) amending the Public Safety Officers' Benefits Act. The amendment doubled the amount of the benefit to $100,000 from the $50,000 level set in 1976 and the increase was made retroactive to include deaths occurring on or after June 1, 1988. In addition, the Act was amended to eliminate the requirement that an eligible parent be dependent upon a public safety officer. Effective on June 1, 1988, when a public safety officer is not survived by a spouse or eligible child, his or her parents are automatically entitled to the PSOB benefit without regard to dependency. The elimination of parent dependency will increase PSOB awards by an estimated 24 claims per year. The Act was also amended to include a cost of living escalator tied to the Consumer Price Index (CPI). This escalator will, on October 1 of every year, increase the benefit by the percentage of increase in the CPI. Because Congress made the effective date of the $100,000 benefit retroactive to June 1, 1988, the first cost of living increase was made for deaths occurring on or after October 1, 1988. At that time, the death benefit to survivors was increased to $103,890, based on a 3.89 percent increase in the CPI. If a widow and eligible children survive, the widow receives one-half of the benefit and the remaining one-half is apportioned among the children. If there are no eligible children, the widow receives the full benefit. Parents are eligible for the death benefit when a widow and/or eligible children do not survive the deceased public safety officer. Each year the amount of the payment will be adjusted by the annual percentage change in the Consumer Price Index. If the estimated 1991 CPI increase of 4.3 percent is realized, the benefit would increase from $109,460 in 1990 to $114,166.

Generally, the PSOB program staff receives a death report within one week of the public safety officer's death, usually from the employing agency. Claims are initiated by the PSOB staff when the death report is received. Employing agencies generally take from 75-80 days to file a complete claim. Eligible claims are paid within two weeks of being filed and documented; ineligible claims are processed within four weeks of being filed and documented.

When a claim is denied, appeal instructions are provided to the claimant. Appeals are heard within 60 days of the claimant's request and decisions are rendered within 30 days of the official close of the appeal hearing. Hearing officer denials may be appealed to the Director. Once an appeal is heard by the agency and the denial affirmed, the claimant may appeal directly to the U.S. Claims Court. Claims entering the Federal court system may take from six months to two years or more to resolve, depending on how rapidly the court and the claimant's attorney respond to statutory and procedural requirements.

Accomplishments and Workload: Actual and estimated workload and accomplishments of the Public Safety Officers' Benefits Program are presented in the following table. The administrative costs associated with the program are borne by the "Justice assistance" appropriation.

Item	1988	1989	Estimates 1990	Estimates 1991
Claims Initiated	234	322	310	310
Claims Closed*	240	306	316	316
Agency Appeals Requested	7	11	8	8
Agency Appeals Closed*	8	7	9	9
Court Appeals Initiated	1	...	2	2
Court Appeals Closed*	2	1	2	2

* Figures include newly initiated claims and appeals as well as active claims and appeals carried over from a previous year.

Claim processing objectives have been met in that the average eligible claim was paid within two weeks of completed filing, and the average ineligible claim was closed within four weeks of certified documentation.

Following is a summary of public safety officer death claims that were found eligible during the period 1979-1989:

Fiscal Year	Law Enforcement Officers	Fire Fighters	Corrections Officers	Others	Total Claims Paid	Total Amount Paid
1979	157	79	16	6	258	$12,900,000
1980	153	70	6	5	234	$11,700,000
1981	188	64	9	8	269	$13,450,000
1982	152	56	7	2	217	$10,850,000
1983	160	43	6	5	214	$10,700,000
1984	134	44	8	2	188	$9,400,000
1985	144	61	7	14	226	$11,300,000
1986	130	37	5	8	180	$9,000,000
1987	119	43	4	20	186	$9,300,000
1988	120	48	10	8	186	$9,300,000
1989:						
Newly inititated claims	155	60	5	10	230	$21,575,150
Supplemental payments *	11	8	...	...	19	$950,000

* Supplemental payments of claims paid in FY 1989 for deaths that occurred between June 1, 1988, and September 30, 1988, in accordance with the Anti-Drug Abuse Act of 1988.

Public safety officer line of duty deaths through 1988 had generally been declining from the program's starting years. The decline had occurred despite the fact that coverage was extended to Federal public safety officers in 1984 and to public rescue and ambulance squad members in 1986. The following chart illustrates this trend:

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Number of Deaths Reported.................	349	379	322	291	282	302	237	259	277	257	225	234	322

Based on the number of deaths reported during 1989, the decline in deaths appears to be reversing. During 1989, 322 deaths were reported to PSOB. This is an increase of 88 deaths over the number reported in 1988. An analysis of the increase indicates both an increase in fire fighter and law enforcement officer deaths, with the greatest increase being among law enforcement officers. Law enforcement officer deaths increased in both felony and accidental deaths. The felony death increase may signal a trend and will be closely monitored. It is difficult to say, at this time, whether or not the upward trend in accidental deaths will continue.

OPENING STATEMENT

Mr. SMITH. The Committee welcomes for his first appearance, Deputy Assistant Attorney General for the Office of Justice Programs (OJP) Clifford White. Mr. White, you may proceed with your statement.

Mr. WHITE. Yes, I do, Mr. Chairman. I believe we submitted a full statement.

Mr. SMITH. All right.

Mr. WHITE. I could summarize, if the full statement could then be in the record.

Mr. SMITH. All right. That will be fine, yes.

Mr. WHITE. Thank you.

Mr. Chairman, I am pleased to have the opportunity to be before the subcommittee today to support the Bush Administration's 1991 budget request for the Office of Justice Programs. With me this morning is Mrs. Phyllis Black, the budget officer for OJP.

As the primary criminal justice research, development, and assistance agency of the Department of Justice, our mission is to provide policy-relevant information to decisionmakers and to enhance the Federal-State partnership in fighting crime and standing up for victims of crime. We have an important opportunity this year to play an increasingly vital role in the Nation's war against drugs. In many ways, OJP serves as a crucial link between Federal, State and local law enforcement in carrying out the National Drug Control Strategy. The budget before this subcommittee would provide us with the necessary funds to accomplish this mission.

As you noted, the President has requested approximately $588 million and 345 positions for the Justice Assistance appropriation covering OJP. This requested appropriation would permit us to continue to sharpen our focus on drug-related activities and to forge more productive partnerships with State and local criminal justice systems. This amount is, however, exclusive of the Crime Victims Fund, which consists of non-appropriated funds, and the Public Safety Officers' Benefits mandatory account.

The program changes include the following:

DEVELOPMENT OF A LESS-THAN-LETHAL WEAPON

First is an increase of approximately $1.8 million for Research, Evaluation, and Demonstration Programs to permit further development of an effective less-than-lethal weapon for use by law enforcement officers. Such a weapon may save both lives and dollars. The current choice, which is often between the use of deadly force or no weapon at all, can be inadequate to meet a variety of law enforcement emergencies such as prison disturbances and apprehension of fleeing suspects. If successfully developed, a new less-than-lethal weapon may reduce deaths of law enforcement officers and the number of wrongful death judgments against governmental authorities, while at the same time enhancing law enforcement's ability to apprehend fleeing suspects.

INCREASES FOR STATISTICAL PROGRAMS

Next there is an increase of approximately $1.9 million for Criminal Justice Statistical Programs that would allow for three enhancements.

First, the Bureau of Justice Statistics (BJS) proposes to establish a comprehensive statistical series to address the relationship between drugs, firearms, and violent crime. The annual cost would be $1.1 million. In 1991, this enhancement would fund the National Survey of State Prison Inmates that is conducted every five years. BJS will conduct a parallel survey of Federal prison inmates that would be funded by the Bureau of Prisons.

Second, BJS would use $335,000 of the requested funds to expand and enhance the Federal Integrated Data Base. These improvements would have particular advantages for tracking drug-related offenders from arrest through time served in prison. Under this program and under this enhancement, more information would be available to Federal policymakers on a more timely basis than is now possible.

Third, out of this request, is $476,000 to implement the redesigned National Crime Survey (NCS). The NCS produces the most complete accounting of victimization in the country, and upon completion of the final phase of redesign, the NCS may increase reporting of some crimes—sensitive crimes in particular, such as family violence—by up to 25 percent.

MISSING CHILDREN PROGRAM

The next item of enhancement is an increase of $4 million for the Missing Children's Program. This program was created to provide a central focus for research, data collection, policy development, and information regarding missing and exploited children. By almost doubling the budget of this important program, we would be able to undertake a variety of new initiatives to, among other things, combat drug abuse-related exploitation of juveniles.

ANTI-DRUG ABUSE PROGRAM INCREASE

We also request an increase of more than $45 million for the Anti-Drug Abuse Program. This request represents a 600-percent rise in appropriations since 1988, a 230-percent increase over 1989, and about a 10-percent enhancement over 1990. The increase would permit a significant expansion of State and local drug control activities, while simultaneously supporting national drug control policies and objectives. The Bush Administration has evinced a strong commitment to State and local drug enforcement assistance, and OJP plans to enhance its efforts to ensure that programs funded with scarce resources allocated to this fairly broad-based program are carefully evaluated and focused on drug control purposes.

JUVENILE JUSTICE PROGRAM

There are some decreases requested, beginning with a decrease of about $62 million for the Juvenile Justice Program. This decrease would eliminate the formula grant program, which is not directly related to drug abuse. But $7.5 million is requested for assisting high-risk youth who are or may soon be caught up in the cycle of substance abuse and other crimes. As the subcommittee well knows, this proposal is quite different from those it has seen for the past nine years, all of which recommended termination of the entire program. Over a period of 16 years, the Federal Government has invested more than $700 million towards achieving the goals of the formula grant program. The total juvenile justice budget during that time has been in excess of $1 billion. It would stand to reason then, that the States would now be in a position to determine which programs work most effectively and are worthy of State, local, or private financing. This proposal reflects a highpriority in preventing high-risk juveniles from becoming involved in illegal drug use, trafficking, and gangs. Now, with a new 50-percent matching requirement that would be imposed upon grantees, the high risk youth projects could be continued at a level of about $15 million.

MARIEL CUBANS PROGRAM

The next item is a reduction of just under $5 million to eliminate the Mariel Cubans Program. This program has provided small amounts of money to reimburse States for costs associated with incarcerating those admitted into the United States during the Mariel Cuban boatlift. These are not Federal offenders, and resources simply do not permit continuation of this aid.

REGIONAL INFORMATION SHARING SYSTEM

We also request a reduction of about $3.7 million for the Regional Information Sharing System (RISS). Now, like the juvenile justice proposal, this request also represents a change in policy. It would provide $9.75 million in Federal funds, but combined with a 25-percent match requirement, RISS would be continued in 1991 at a program level of about $13 million, which is very near the current level. Inasmuch as State and local law enforcement authorities are the primary beneficiaries of RISS, it is appropriate that they begin to share more equitably in the program's costs. Accordingly, the budget proposal recommends an escalating match requirement over a three-year period that would result in phasing out of Federal funding. In 1994, the participating agencies would assume 100 percent of the program's costs, yet sufficient time will have been provided to allow them to eventually maintain the program independently.

MANAGEMENT AND ADMINISTRATION

Next is a reduction of $398,000 for Management and Administration, which incorporates various enhancements and reductions which are spelled out in the statement. There is also a decrease of about $8.8 million, representing various mandatory adjustments to our budget base.

PUBLIC SAFETY OFFICERS' BENEFITS REQUEST

The total request of about $26 million for the Public Safety Officers' Benefits appropriation includes a mandatory increase of

$1.257 million to cover the anticipated number of claimants and a projected increase in benefits.

CRIME VICTIMS FUND

Finally, the Crime Victims Fund is fully budgeted at the maximum amount permitted under its authorizing statute. This Fund, of course, consists of Federal criminal fines, bond forfeitures, and penalty assessments. Expenditures from the Fund are therefore borne by criminals, not by the law-abiding taxpayers. The funds are earmarked for victim assistance activities and compensation, and the request is based upon a projection that payments into the fund this year will reach the statutory cap, namely $125 million plus an additional $2.2 million for transfer to the Administrative Office for the U.S. Courts for administrative costs associated with collections.

The budget just described reflects the Administration's strong commitment to working in partnership with the States on a broad array of criminal justice fronts, but most particularly in a joint campaign against the supply of and demand for illicit narcotics. I would be happy now to try to answer any questions that the chairman may have.

[Mr. White's prepared statement follows:]

DEPARTMENT OF JUSTICE
OFFICE OF JUSTICE PROGRAMS

STATEMENT OF THE DEPUTY ASSISTANT ATTORNEY GENERAL
CLIFFORD J. WHITE III
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity to appear before the Subcommittee today in support of the Bush Administration's 1991 budget request for the Office of Justice Programs (OJP). As the primary criminal justice research, development, and assistance agency of the Department of Justice, our mission is to provide policy-relevant information to decisionmakers and to enhance the Federal-State partnership in fighting crime and standing up for victims of crime. We have an important opportunity to play an increasingly vital role in the nation's war against drugs. In many ways, OJP serves as a crucial link between Federal, State, and local law enforcement in carrying out the National Drug Control Strategy. The budget before this Subcommittee would provide us with the necessary funds to accomplish this mission.

The President has requested $587,515,000 and 345 positions for the Justice Assistance appropriation covering the operations of OJP, including an increase for State and local drug control grants. The requested appropriation would permit OJP to continue to sharpen its focus on drug-related activities and to forge more productive partnerships with State and local criminal justice systems. This amount is exclusive of the Crime Victims Fund, which consists of non-appropriated funds, and the Public Safety Officers' Benefits mandatory account.

Program changes include the following:

-- An increase of $1,758,000 for Research, Evaluation, and Demonstration Programs. This budget category covers the National Institute of Justice (NIJ), which conducts the Federal Government's core research program on the causes and correlates of crime. The requested increase would permit further development of an effective Less-Than-Lethal Weapon for use by law enforcement officers. Such a weapon may save both lives and dollars. The current choice, which is generally between use of deadly force or no weapon at all, is inadequate to meet a variety of law enforcement emergencies, such as prison disturbances and apprehension of fleeing suspects. NIJ has already invested $550,000 in this project and will spend another $500,000 for the initiative this year. Although it is difficult to project the total cost of this initiative until testing results are available, the project is expected to be completed by 1993 with the total price reaching 8 to 10 million dollars. If successfully developed, a new Less-Than-Lethal Weapon may reduce deaths of law enforcement officers and the number of wrongful death judgments against governmental authorities.

-- An increase of $1,911,000 for Criminal Justice Statistical Programs. The program activities of the Bureau of Justice Statistics (BJS) are funded from this budget account. BJS is the primary Federal agency that collects, analyzes, and disseminates criminal justice statistical data. It sponsors all of the Federal criminal justice data series except for the Uniform Crime Report of the Federal Bureau of Investigation. The budget enhancement would allow for the following activities:

First. BJS proposes to establish a comprehensive statistical series to address the relationship between drugs, firearms, and violent crime. The annual cost would total $1,100,000. In 1991, the enhancement would fund the National Survey of Prison Inmates that is conducted every five years. BJS will conduct a parallel survey of Federal prison inmates that would be funded by the Bureau of Prisons.

Second. BJS would use $335,000 of the requested funds to expand and enhance the Federal Integrated Data Base. These improvements would have particular advantages for tracking drug-related offenders from arrest through time served in prison. Under this program, more information would be available to Federal policymakers on a more timely basis.

Third. Of the request, $476,000 would be used to implement the redesigned National Crime Survey (NCS). The NCS produces the most complete accounting of victimization in America. Upon completion of the final phase of redesign, NCS may increase reporting of some crimes, such as family violence, by up to 25 percent. The research and development phase of the NCS redesign covered a period of six years, beginning in 1979, at a cost of $4,300,000. The amount requested for this initiative is not a recurring need and will be removed from the base in 1992.

-- An increase of $4,000,000 for the Missing Children's Program. This program was created to provide a central focus for research, data collection, policy development and information regarding missing and exploited children. By doubling the budget of this important program, new initiatives may be undertaken to enhance the efforts of State and local communities in addressing missing and exploited children issues. The additional resources would be directed at formulating programs to ensure a more coordinated, effective response at the local level when incidents of kidnapping, runaway and throwaway youth, and sexual exploitation occur. These programs may have particular relevance in combatting drug abuse-related exploitation of juveniles. Activities would include the development of crisis intervention programs, procedures and guidelines for missing children search teams and investigations, and expanded support for private voluntary organizations and State clearinghouses.

-- An increase of $45,263,000 for the Anti-Drug Abuse Program. This request represents a 600-percent rise in appropriations since 1988, a 230-percent increase over 1989, and a 10-percent enhancement over 1990. The increase would permit significant expansion of State and local drug control activities, while simultaneously supporting national drug control policies and objectives. The Bush Administration has evinced a strong commitment to State and local drug enforcement assistance, and OJP plans to enhance its efforts to ensure that scarce resources allocated to this broad-based program are carefully evaluated and focused on drug control purposes.

-- A decrease of $61,905,000 for the Juvenile Justice Program. This decrease would eliminate the formula grant program, which is not directly related to anti-drug abuse, but $7,500,000 is requested for use in assisting High Risk Youth who are, or may soon be, caught up in the cycle of substance abuse and other crimes. As you well know, this proposal is quite different from those you have seen for the past nine years, all of which recommended termination of the entire program. Over a period of sixteen years the Federal government has invested more than $700 million towards achieving the goals of the formula grant program. It stands to reason that States would now be in a position to determine which programs work most effectively and are worthy of State, local, or private financing. This proposal reflects a high priority in preventing high risk juveniles from becoming involved in illegal drug use, trafficking, and gangs. The request would allow the traditional Federal functions to be continued, such as program development and demonstration, training and technical assistance, research, and information dissemination. With a new 50 percent matching requirement that will be imposed upon grantees, the High Risk Youth projects could be continued at a total level of $15,000,000.

-- A reduction of $4,963,000 is requested to eliminate the Mariel Cubans Program. This program has provided small amounts of money to reimburse States for costs associated with incarcerating those admitted into the United States during the Mariel Cuban Boat Lift. These are not Federal offenders, and resources simply do not permit continuation of this aid.

-- A reduction of $3,652,000 for Regional Information Sharing Systems (RISS). Like the Juvenile Justice proposal, this request also represents a change in policy. The proposal would provide $9,750,000 in Federal funds, but combined with the suggested 25 percent match requirement, RISS would be continued in 1991 at a program level of $13,000,000. This level is very near the current level. Inasmuch as State and local law enforcement authorities are the primary beneficiaries of RISS, it is appropriate that they begin to share more equitably in the program's costs. Accordingly, the budget proposal recommends an escalating match requirement, over a three-year period, that would result in the phasing out of Federal funding. In 1994, the participating agencies would assume 100 percent of the program's cost, yet sufficient time will have been provided to allow them to eventually maintain the program independently.

-- A net reduction of $398,000 for Management and Adminis-

Office of Justice Programs

Public Safety Officers Benefits

Summary of Change and Justification of Adjustments to Base

(Dollars in thousands)

	Amount
1990 as enacted	$25,000
1990 Sequestration	-182
1990 Appropriation anticipated	24,818
Adjustments to base:	
Mandatory increase:	
General pricing level adjustment	1,257
1991 Base/Estimate	26,075

Mandatory increase:

1. General pricing level adjustments	$1,257

This request applies OMB pricing guidance as of December 6, 1989, to selected expense categories. The increased costs identified result from applying a factor of 4.3 percent, which represents an annual cost of living escalator tied to the Consumer Price Index (CPI). The public safety officer benefit payment is expected to rise from $109,460 in 1990 to $114,166 in 1991.

Total, adjustments to base	1,257

Office of Justice Programs

Public Safety Officers Benefits

Summary of Requirements by Grade and Object Class

(Dollars in thousands)

Object Class	1989 Actual	1990 Estimate	1991 Estimate	Increase/Decrease
11 Personnel compensation:				
11.1 Full-time permanent	...	...	...	...
11.3 Other than full-time permanent	...	...	...	...
11.5 Other personnel compensation	...	...	...	...
11.8 Special personal services payments	...	...	...	...
Total	...	...	...	...
Other objects:				
12 Personnel benefits	...	...	...	...
13 Benefits of former personnel	...	...	...	...
21 Travel and transportation of persons	...	...	...	...
22 Transportation of things	...	...	...	...
23.1 GSA rent	...	...	...	...
23.2 Rental payments to others	...	...	...	...
23.3 Communications, utilities and miscellaneous charges	...	...	...	...
24 Printing and reproduction	...	...	...	...
25 Other services	...	...	...	...
26 Supplies and materials	...	...	...	...
31 Equipment	...	...	...	...
41 Grants, subsidies, and contributions	$143	$150	$150	...
42 Insurance claims and indemnities	22,525	24,668	25,925	$1,257
Total obligations	22,668 *	24,818	26,075	1,257
Relation of obligations to outlays:				
Obligated balance, start-of-year	...	...	...	
Obligated balance, end-of-year	...	...	...	
Outlays	22,668 *	24,818	26,075	

* For comparison purposes only - Obligations and outlays for 1989 are included in the "Justice Assistance" appropriation.

tration. This amount incorporates specific enhancements and reductions, to wit:

First. An increase of $52,000 is requested to complete integration of OJP's accounting system into the Department's Financial Management Information System. This would further the long-standing goal of the Office of Management and Budget to achieve a unified accounting system for each Department.

Second. A reduction of $450,000 and nine positions is requested for the Office of Juvenile Justice and Delinquency Prevention due to the proposed termination of the Juvenile Justice formula grant program.

Third. An increase of one position each for NIJ and BJS is proposed to support recommended enhancements in developing a new Less-Than-Lethal Weapon and to improve the Federal Integrated Data Base, respectively.

A net decrease of $8,789,000, representing various mandatory adjustments to our budget base, is also included in the Justice Assistance account.

The total request of $26,075,000 for the Public Safety Officers' Benefits appropriation includes a mandatory increase of $1,257,000. Under the Anti-Drug Abuse Act of 1988, the lump sum payment to survivors of public safety officers who died in the line of duty was doubled, with an additional increase each year tied to the cost-of-living index. Given the anticipated number of claimants and a projected increase in benefits from $109,460 in 1990 to $114,166 in 1991, the requested increase would be needed to satisfy all eligible claims.

Finally, the Crime Victims Fund is fully budgeted at the maximum amount of $127,200,000 permitted under its authorizing statute. This Fund consists of Federal criminal fines, bond forfeitures, and penalty assessments. Expenditures from the Fund are therefore borne by criminals -- not by law-abiding taxpayers. The funds are earmarked for victim assistance and compensation. This request is based upon a projection that payments into the Fund this year will reach the statutory cap, namely $125,000,000 plus an additional $2,200,000 for transfer to the Administrative Office for the United States Courts for administrative costs associated with collections.

The budget just described reflects the Bush Administration's strong commitment to working in partnership with the States on a broad array of criminal justice fronts, but most particularly in a joint campaign against the supply of and demand for illicit narcotics. I would now be happy to try to answer any questions from members of the Subcommittee.

STATE AND LOCAL DRUG GRANTS

Mr. SMITH. The biggest share of your budget by far is the anti-drug abuse grants to State and local government. My memory is that it was $75 million just two years ago, and then $150 million, and now it is $450 million. Have all of the formula grants been distributed?

Mr. WHITE. Yes, I believe that awards have been made to each of the States for fiscal year 1990.

DISTRIBUTION OF DRUG FORMULA FUNDS WITHIN THE STATES

Mr. SMITH. We hear complaints about how the states distribute the money to local agencies. Have you done any monitoring or have you got any reports on how the money has been used?

Mr. WHITE. Yes. We do get reports, really in two ways. First, a precondition for receipt of the award from the Bureau of Justice Assistance, which administers that program, is submission by each State of a State-wide drug strategy which is supposed to describe a broad-based approach to drug control which would cover urban and rural areas in the State, plus various phases of the criminal justice system from apprehension onward. More particularly, after those awards then are made, we do receive regular reports back of the subgrant awards made by each State to State agencies or to local governments.

Now our policing power, of course, under the statute is just to ensure that the funds are used for statutory purposes and that a sufficient amount of funds, as described in the statute by a percentage ratio, is passed through to local government. So we are not terribly prescriptive with the States because, under principle of federalism embodied in the statute, the guiding principle has been that the States develop a State-wide strategy, which may vary from one State to the other, and the States are in a position to best determine the allocation within a State.

The statute does require—and reports to us do not indicate that there is any major problem in this area—that the States, in making their decisions, allocate funds according to need. I believe that the reports, as submitted to us, by and large demonstrate that the States are making those kinds of rational choices; but again, we do not have specific policing power to disagree with a particular approach that a State may take.

STATEWIDE DRUG STRATEGIES AND DIRECT PASSTHROUGH OF FUNDS TO LOCAL LEVEL

Mr. SMITH. Well, it is not necessarily policing power. It is a matter, though, of reporting back the information so we know how the money is being used——

Mr. WHITE. Yes.

Mr. SMITH. And there is a requirement that you do that. We do get a lot of complaints, and we are getting more complaints all the time. They may have a State drug strategy, but do they carry out the drug strategy? If they don't, what amendments are needed to the law?

We are also getting a lot of demands for direct passthroughs to cities and sheriffs and so forth, because they are very dissatisfied with the way some of the States are distributing the money. Do you have information as to which ones are doing the best jobs, where you get the least complaints, and which ones are accomplishing their objectives the best?

Mr. WHITE. I think, by and large, there are some urban jurisdictions that perhaps have a dispute within their State governments, and they don't think they have received a sufficient passthrough. If one were to prescribe to the States that they make a passthrough, say according to population, which some urban areas have suggested, one would, of course, then be disrupting the whole statutory scheme, the concept of a State-wide strategy and apportionment according to need.

I might add, Mr. Chairman, we have been pleased by recent trends of the States devoting an increasing portion of their funds—and it is reflected in fiscal year 1990 state-wide strategies—to evaluation activities. So not only have we from headquarters tried to undertake an enhanced evaluation activity of State programs and discretionary programs, but we have strongly encouraged States to make investments in evaluation of their activities. We have seen a growth, I believe—rough estimates, because we are still analyzing the 1990 strategies—of probably at least a doubling of their resources from 1989 to 1990, in their plans for evaluating the use of their funds.

Mr. SMITH. Well, have you distributed the results of these evaluations, so that others might know which ones work the best and which ones are accomplishing their objectives the best?

Mr. WHITE. We do. Now the largest enhancement in evaluations under the 1988 act would have been made only in 1989, so we have gotten just a few evaluations out, some of them released just in the last few months, and we will have some more evaluations this year. So I am afraid I cannot report that we have a large body of new evaluatory data, but that is really a function of social science and the time it takes to compile those kinds of reports.

USER ACCOUNTABILITY PROGRAMS

Mr. SMITH. Well, one of the—just one, but it is an important one—of the disputes involves the extent to which programs should involve users rather than distributors. Have you gotten any evaluations back that indicate the success or lack of success of programs designed to discourage users?

Mr. WHITE. Well, we certainly have some trends in the States that indeed they are using their funding for various user accountability kinds of programs, and we do have some evaluations in the field on that. Generally speaking, I think it would be fair to say that this is a very encouraging area for investment, and perhaps if I could try to submit more detailed information for the record——

Mr. SMITH. Well, I would like that, but I think I have heard more complaints from law enforcement agencies that want to go after users. They know they can't clog up the courts, but they think they need to do something to discourage users.

Users in most of the country—I think I used the word "most" advisedly—in most of the country think that they are immune from any embarrassment of any kind. If they are buying drugs, they will arrest the guy that sells the drugs but they won't pay any attention to users.

There are a lot of law enforcement people who think that it is time that we do something to embarrass the user a little bit, without clogging up the courts. You can't prosecute them all and throw them in jail, but there are different ways, even short of a boot camp, which might be the eventual solution. I hear a lot of complaints that say that it just isn't being done by the States in their State strategies.

Mr. WHITE. Well, Mr. Chairman, I think indeed there is an increase in State strategies, or rather there seems to be some indication reflected in the State strategies of increased attention to user accountability provisions.

I might add that BJA rewrote its guidance to the States, its formula grant guidance, before the start of the distribution of this fiscal year's funds. User accountability and adoption of civil penalties and other innovative intermediate sanctions was a key new point introduced in that guidance, which, of course, we drew from the National Drug Control Strategy, which makes a very compelling case for the necessity to experiment with civil penalties, boot camps, other kinds of intermediate sanctions. We hope that that guidance we have provided will bear some positive results.

Mr. SMITH. The concern of some people is that they don't really have a way to get to some of these users before it is too late. If you start arresting users, even if they are turned loose as soon as they are booked then at least they have been caught before they are too far gone to rescue. You may be able then to get them into some kind of a program. In many cases it is just a matter of them becoming a little bit more enlightened about where they are headed if they don't do something different. There is a great feeling out there, I think, that this money is not being used sufficiently in that regard.

[Subsequent to the hearing, the Department submitted the following information:]

User Accountability Programs

The 1990 Program Plan for Anti-Drug Abuse Discretionary funds contains the following user accountability programs:

- Civil Penalties for Drug Offenders - This new program will assist from one to three jurisdictions in the planning and demonstration of the use of civil penalties to promote user accountability among first-time or casual drug users. Jurisdictions will demonstrate an expanded range of civil penalties such as suspension of drivers licenses, forfeiture of automobiles, fines, suspension of professional licenses, and other penalties that will be imposed in combination with drug testing and treatment as appropriate.

- Denial of Benefits to Drug Offenders - Title V, subtitle G of the Anti-Drug Abuse Act of 1988 provides that any individual who is convicted of a Federal or State offense for the distribution or possession of a controlled substance may, at the discretion of the court, be denied Federal benefits including: grants, contracts, loans, professional licenses or commercial licenses. This program will establish a system for reporting drug convictions to the General Services Administration (GSA). These individuals will be added to the list of Debarments and Suspensions published by GSA. Funds may also be available to award grants to States for pilot programs.

The following are 1990 drug testing programs that are related to user accountability:

- Program for Drug Testing throughout the Criminal Justice System:

  Pretrial Component - This component of the program will provide technical assistance and demonstration models for drug testing programs of pretrial offenders. Criminal justice agencies will make use of drug testing results in rendering detention and release decisions and developing supervision and drug treatment programs for drug abusing defendants/offenders. This program will assist pretrial service agencies with development of pretrial screening and monitoring programs.

  Probation and Parole Component - This component will assist State corrections divisions and local jails with development and implementation of drug testing programs during probation and parole. The program will utilize offender management tools such as the threat of additional sanctions and imposition of user fees. In addition, the program will stress the linkage between intensive monitoring and drug testing after adjudication. The program will also contain a training component for probation/parole personnel.

Correctional Drug Testing and Interdiction Component- Substance abuse issues are placing increased demands on custodial facilities. Drug interdiction strategies are of particular importance in correctional institutions, which must be kept drug-free. In collaboration with the National Institute of Corrections, this program will develop comprehensive strategies and specific options for training State and local agencies to combat drug abuse in correctional programs among offenders and staff. The project will emphasize the importance of effective drug testing policies and procedures as a tool for interdicting drugs and making appropriate treatment referrals.

Model Demonstration Site(s) - This component will provide financial assistance to one or two jurisdictions (including Statewide) to demonstrate a comprehensive drug testing system encompassing all stages of the criminal justice process, from pre-trial through supervised release. The selected sites will be required to: (1) utilize a management system which ensures that assigned offenders are systematically tested and tracked throughout the criminal justice system and (2) use drug testing results in decisions concerning release of the arrestee/offender. The imposition of user fees by the selected projects will be strongly encouraged. The demonstration sites will be eligible to receive training and technical assistance from those agencies selected for the drug testing programs described previously.

o Drug Use Forecasting - This program, administered by the National Institute of Justice, provides specific information on the prevalence and type of drug use among arrestees, in over 20 sites. A new component will collect data on illegal aliens held in local jails and lockups to provide better information on the involvement by illegal aliens in the trafficking of drugs, especially in the border areas.

Two user accountability programs are currently being evaluated:

o Maricopa County, Arizona, has developed a unique program that undoubtedly will be copied by other jurisdictions. Directed primarily at drug consumers rather than user-dealers, the program: (1) requires police officers to arrest suspects who possess even small amounts of drugs and refer them for prosecutor screening; (2) permits prosecutorial discretion in suspending prosecution of cases if the arrestee will admit guilt; (3) requires the arrestee to enroll in a treatment program; (4) requires the arrestee to submit to periodic urine tests to ensure drug abstinence; (5) requires those arrestees who can afford to do so, to pay for the treatment/urine testing; and (6) permits the prosecutor to drop charges after one year if the arrestee remains drug free and abides by all other conditions of release. This research will examine both the process and operation of the program in Maricopa County, as well as track the post-program performance of arrestees who successfully complete treatment.

- The other project seeks to determine the relative merits of four types of sanction options that provide promising alternatives to complement traditional State and local law enforcement approaches of arrest, prosecution, and incarceration. These include: (1) suspension and postponement of driving privileges; (2) imposition of fines based on local substance abuse and related ordinances; (3) application of land use controls, including nuisance abatement and zoning laws; and (4) enforcement of State civil asset forfeiture statutes. The evaluation methods will include analyses of implementation, including problems encountered; awareness of alternative sanctions by targeted populations; time series comparisons of offense trends before and after alternative sanctions are initiated; rearrest data; and case studies of land use controls in specific neighborhoods.

EVALUATION EFFORTS

Mr. SMITH. About municipalities wanting a direct passthrough. If all the money were to go according to population, and just then the real possibility exists that some of them would put it under a heading called "drugs" but it wouldn't be used that way. It would be used for something they were going to do anyway.

We ran into that problem with the old LEAA program, and we finally had to kill the program because it got so bad. It wasn't accomplishing its objectives.

We need to know the ones that are not doing their job, and that is important. If that is a fear that we have in this program, that is the best answer for those who don't think we should pass the money directly through.

We have jumped rapidly from a small amount of money to a large amount of money in a few years, but we need evaluations and we need information pumped out as fast as we can get it, both good and bad, on these programs. Are you putting sufficient effort into getting evaluations as rapidly as we can and getting the information out, whether it is good or bad?

Mr. WHITE. I think we are making good progress in that area, but I could not agree with you more: It is absolutely a key challenge right now to ensure that sufficient evaluation dollars are being devoted to programs now.

We have, of course, under the statute two kinds of evaluations. Broad impact evaluations are being done through the National Institute of Justice, with transfer of some funds from the Bureau of Justice Assistance, which will be about $4 million this year. In addition to that, we are seeing about a like amount being invested by the states in evaluations. Then, in addition to that, a meaningful kind of assessment of accomplishments is required to be reported to BJA for every formula program that is funded under the Anti-Drug Abuse Act program.

But Mr. Chairman, you are absolutely right that if the only test we try to pass is how fast we can distribute the money, and not look at the effectiveness at the end, we will not be doing our jobs. If we only concentrate on funding of programs that have been funded before, instead of emerging criminal justice areas such as the user accountability approaches that you identified, again we will not be doing our job.

This is an important time, I think, for BJA to ensure that it is using the money as cost effectively as possible, monitoring what states are doing, and then sharing the results of that so that the taxpayers will be getting a return on this very substantial investment that they are making.

[Subsequent to the hearing, the Department submitted the following information:]

Anti-Drug Abuse Evaluation Activities

	1989	1990 Projected
State Evaluation Activities	$1,915,000	$4,364,950
Section 520 Evaluations	3,151,622	4,247,500
Other Evaluations	1,835,000	2,205,000 *
Total	6,901,622	10,817,450

State Evaluation Activities: Section 501(c) of the Anti-Drug Abuse Act of 1988 requires that each program funded with formula grants contain an evaluation component, unless the program is not of "sufficient size" or the program is designed to provide equipment or other resources that would be used to augment existing State or local drug control efforts.

Section 520 Evaluations: Section 520(a)(2) of the Anti-Drug Abuse Act of 1988 requires the National Institute of Justice (NIJ) to conduct comprehensive evaluations of both formula and discretionary grant programs. A list of programs for which evaluation efforts were undertaken by the Bureau of Justice Assistance and NIJ in 1989 and those planned for 1990 is provided.

1989

Evaluation Topic	Amount
Street-Level Enforcement (2 projects)	$704,281
State Drug Strategies	154,600
Assets Seizure/Forfeiture	252,144
Community Drug Initiatives (2 projects)	299,601
Drugs-In-Public Housing (2 projects)	693,033
Innovative User Sanctions	197,298
User Accountability-Phoenix	214,694
Focussed Offender Disposition	198,782
Expedited Case Management	288,210
Shock Incarceration	44,[illegible]21
Interjurisdictional Task Forces	104,758
Total	$3,151,622

* Estimated. BJA may devote additional resources in 1990.

1990 Projected (Under Discussion)

Evaluation Topic	Amount
National Evaluation Workshop	$138,038
Community Anti-Drug Efforts	294,940
Pioneer Human Services, Inc.	400,000
Shock Incarceration	250,000
San Diego Street Crackdowns	375,000
Detroit Crackdowns	100,000
Drug Testing Experiments	500,000
Wilmington Community Action	100,000
Drug Use Forecasting Reliability Assessment	300,000
State Performance Monitoring	111,621
Other Programs - to be determined	177,901
Formula grant programs - to be determined	1,500,000
Total	4,247,500

Other Non-Section 520 Evaluations: A list of other evaluation initiatives undertaken by the Bureau of Justice Assistance in 1989 and 1990 is provided.

1989

Assets Seizure and Forfeiture	$50,000
Comprehensive Community Crime Prevention Demonstration	100,000
Pharmaceutical Diversion	50,000
Drug Evaluation and Classification Demonstration and Documentation	100,000
Drug Testing and Intensive Supervision Demonstration	100,000
Treatment Alternatives to Street Crime (TASC)	150,000
Differentiated Case Management for Trial Courts	75,000
Comprehensive Adjudication of Drug Arrestees	100,000
Intensive Supervision for Drug Offenders (Probation and Parole)	75,000
Intensive Probation Demonstration Program Evaluation	100,000
Drug Treatment in a Jail Setting Demonstration	25,000
Treatment Outcome Study	60,000
Innovative Local Program Documentation: Disposition and Management of the Drug-Dependent Offender	250,000
Consortium to Assess the Impact of State Drug Strategies	600,000
Total	1,835,000

1990 Projected

Evaluation Topic	Amount
Drug Testing Throughout the Criminal Justice System:	
Pretrial Component	$90,000
Probation and Parole Component	110,000
Correctional Drug Testing and Interdiction Component	150,000
Model Demonstration Site(s)	100,000
Street Level Enforcement:	
Innovative Neighborhood-Oriented Policing Programs	200,000
Drug Impacted Small Jurisdictions	20,000
Multijurisdictional Task Forces:	
Demonstration Crack Task Forces	10,000
Organized Crime/Narcotics Task Forces	300,000
Marijuana Eradication	50,000
User Accountability:	
Civil Penalties for Drug Offenders	45,000
Alternative Sentencing Program:	
Intermediate Sanctions (Boot Camp) Demonstration	50,000
Treatment Alternatives to Street Crime (TASC)	50,000
Enhanced Prosecution:	
Statewide Drug Prosecution	80,000
Comprehensive Adjudication of Drug Arrestees	75,000
Demand Reduction:	
Develop and Demonstrate Model Parent Component of DARE Program	25,000
Demand Reduction Model Development and Technical Assistance	100,000
Consortium to Assess the Impact of State Drug Strategies	750,000
Total	2,205,000

MULTI-JURISDICTIONAL APPROACH TO DRUG PROBLEM

Mr. **Smith**. Well, another thing that we are hearing is that when we say "local" people immediately think that means each township, each sheriff, and others think that just means cities. But in this drug problem, the sheriffs will tell you that if all you do is concentrate on the city, the drugs go just over the city line. The problems are easily moved a short distance. The sheriffs will tell you they need it on a county level, or, now that they are hooked up electronically the way they are in many areas, they need funding on a regional basis.

We need some answers on how to distribute these funds.

We need something broader than a city, unless it is a very large city, and certainly something more regional in nature. In these drug bills that we have passed, I don't think we have quite identified how the formula should be written at the State level. I guess what you are saying is, "We will let the State decide how to do that," but it doesn't seem to be getting the results.

Mr. **White**. If I may respond, among the programs we have encouraged, and States do seem to be devoting a lot of funds to this are multi-jurisdictional task forces within the State. Also, we encourage that not only in the advice we give to the States on technical——

Mr. **Smith**. How do you encourage that?

Mr. **White**. Well, we provide formula grant guidance to each of the States, and the multi-jurisdictional approach is contained in that. In addition, when we sponsor demonstration efforts through our discretionary program, we have been trying to accent multi-jurisdictional enforcement approaches. Indeed, we do have an evaluation in the field on the multi-jurisdictional activities of the States. There are about 700 or so multi-jurisdictional task forces now being funded under formula grants.

In the discretionary grant program, this past year we embarked on a tri-State multi-jurisdictional task force involving Northern Virginia, suburban Maryland, and the District of Columbia. We thought, as I think you are suggesting correctly—that multi-State approaches, also regional approaches, may also be a very promising area.

Mr. **Smith**. Well, there are some who think, and I am not sure they are wrong, that there should even be a preference given for multi-jurisdictional grants and programs. There is a bill that I understand they are seriously considering in the Senate, doubling the current $450 million. I mean, we have gone from $75 million to $150 million to $450 million, and when you go up that fast, you need some answers on the way up.

MATCH REQUIREMENT FOR STATE AND LOCAL FORMULA GRANTS

Now we had a question last year in our conference that came up two or three times. In fact, we finally put legislation, I guess in the appropriations bill, that continued the 25 percent matching requirement instead of 50 percent as the law mandated. What are you suggesting now in that regard?

Mr. **White**. Well, the statute, absent some amendment, through appropriations rider or otherwise——

Mr. **Smith**. It will go to 50.

Mr. **White** [continuing]. will move it to 50, that is correct. We have been supportive of this, feeling that if the purpose of the program is to be sparking innovation within the States and providing seed money, then with the passage of time perhaps the states can make judgments on greater investments of funds in the programs which they find most appropriate.

Mr. **Smith**. How many are matching it 50-50 now?

Mr. **White**. I am not certain that our reports would indicate any are. I can certainly provide that for the record. Since the requirement is only 25——

Mr. **Smith**. Yes, yes.

Mr. **White** [continuing]. They would only have to report how they are matching up to 25 percent, but I would be happy to——

Mr. **Smith**. Okay. For the record—I know it will take a little work to do this, but I think it is worthwhile—try to determine how many could qualify if it were 50-50, and somewhat the nature or the identification of those that would not, and are they moving that way, how fast can they move that way. It is no secret, I guess, that some of us were reluctant to put the legislation in to make it 75 percent for another year. We have got to move at least to 50, but we don't want to do so so fast that we leave some states unable to even get into the program. Are all states now putting up the 25?

Mr. **White**. Oh, yes. That is a requirement. They are all meeting it.

Mr. **Smith**. And they all are doing that?

Mr. **White**. That is correct.

Mr. **Smith**. And also include in what you put in the report, we will have to take into consideration the levels at which funding is provided. In otherwords, at $150 million their share at 25 percent is much smaller than it would be at $900 million. In otherwords, how fast can they go up with their share of the funding, if we are to continue to have a matching program?

[The information follows:]

State and Local Drug Grants—Match Requirement

In 1990, the States are required to provide 25% of the cost of projects funded with Drug Control and System Improvement formula grant funds. By statute, the matching level will rise to 50% in 1991. We do not anticipate that States and localities will have difficulty meeting the higher 50% match requirement. Since the States and units of local government have primary responsibility for drug control efforts in their jurisdictions and they have been aware of the escalating match requirement since 1988, additional matching funds should already be incorporated into their budget development process for 1991. Further, State and local jurisdictions have revenue sources available that provide significant potential matching funds. As an example, the Federal Asset Forfeiture Equitable Sharing Program provided $157.3 million to States and localities in 1989. Approximately $190.5 million is expected to be available for distribution to States and localities in 1990 and $200 million in 1991. In addition to the Federal program, each State has an Asset Forfeiture statute. State statutes differ insofar as the purpose for which cash proceeds may be used, however, forfeitures under State statutes may offer another viable source of additional resources that could be used for matching funds. (It should be noted that if a State does not qualify for its entire formula grant allocation due to a shortage of matching funds, the remaining balance would then be made available directly to local jurisdictions within the State.)

The purpose of this grant program is to promote innovative programs and programs that offer a high probability of improving State and local drug control and system improvement efforts, with the intent that recipient agencies eventually assume full support of the programs. This intent is evidenced by the legislative history accompanying the Anti-Drug Abuse Act of 1988. For instance, the initial Senate proposal of a comprehensive drug bill, titled the Omnibus Anti-Substance Abuse Act of 1988, states "The graduated matching fund approach reflects the purpose of this grant program to use Federal resources to promote innovation and information-sharing among the States, thereby enabling the States to assume the funding of those activities most effective within that State." This is also the rationale for the statutory four-year funding limitation for grant projects. The Federal government should not bear an unfair share of the financial burden for grant programs; there should be an equitable partnership between State, local and Federal governments, particularly in this era of fiscal restraint.

DRUG USE BY TEENAGERS

Mr. SMITH. Also I think that during February I got around a little bit, talked to people about these drug problems, and there seemed to be a consensus that one area in which we are not doing enough is teenagers. Casual use appears to be—and I don't know if I can rely on these statistics—casual use seems to be down, maybe considerably, at almost all levels except high school level. At that level, the information I am getting is that it is as strong as ever, if not stronger. We just don't seem to be reaching the ones in high school.

One boy who is in a drug program, I asked him how many in his high school were not at least experimenting with drugs or alcohol, and he said more of them with alcohol than drugs, but between the two he said he didn't think there were a dozen in the whole high school. He said that is much, much worse than it was two years ago.

Then at the same time there are some teenagers who find themselves out on the street for one reason or another, and they are very, very susceptible not only to prostitution but to drugs, selling drugs or using drugs or whatever. They appear to be hopeless.

We don't have enough youth shelters. In Iowa I think there are eight shelters, and they just don't have enough beds. They did have, as late as two years ago, to sort of take care of them as they came in, but they don't have any more. The number of youth that need help in those circumstances has increased.

JUVENILE JUSTICE 1991 REQUEST

And this gets into Juvenile Justice programs, what you are providing in Juvenile Justice programs. I know in previous years the proposal has been to zero it out completely, and we always put the money back in, but only at the same dollar level, which means there has been a reduction in the program level steadily over the years because we have had considerable inflation. What about that? How do you justify that? Is this the budget you asked for for Juvenile Justice?

Mr. WHITE. I believe that the budget here is substantially similar to various recommendations made through the budget cycle period. I would be happy to try to provide more detailed information for the record.

Mr. SMITH. Well, is this the one you asked the department for?

Mr. WHITE. I must tell you I am not sure I can give a precise answer. It is substantially similar, though.

Mr. Smith. Substantially similar, and it wasn't cut out over at OMB, it was cut out at the department level?

Mr. White. If I may, I can provide more detailed information for the record.

If I might add, Mr. Chairman, I think though that the purpose and advantage of the targeted approach reflected here in Juvenile Justice would permit us to address the problems of high-risk youth, including teenagers, maybe most especially teenagers.

If you were to take the entire Juvenile Justice budget for this past fiscal year, primarily on the discretionary side, we probably can break out of it $11 million that was targeted for high risk youth. If we take this $7.5 million budget that is being proposed, and with a 50-percent match we come to $15 million, then we are continuing an effort at a comparable level for high risk youth.

In addition, with the budget increase proposed for the missing and exploited children's account, if we put the accent on exploited, we are dealing again with high risk youth, the very population you have indicated there is a need to address. And in 1989, through the discretionary program, the Juvenile Justice Office has increasingly tried to put a focus on high risk youth.

One program that we are embarking on now is also reflected in a conference report earmark. Juvenile Justice is working with an organization for a new "Teens, Drugs, and Crime" program. They have also embarked upon a partnership to borrow some expertise from the Office for Victims of Crime, in getting some other programs together to help address high risk youth. So I think we fully share your concern that the Juvenile Justice effort needs to focus on high risk youth.

As you know, the Juvenile Justice statute, the only mandates for the use of the formula funds have to do with deinstitutionalization, removal, and separation. There is not a drug focus in that statute. Although, of course, unless a state is out of compliance—and I think about 12 states fall into that category, that have either requested a waiver or are nonparticipating—it may use its money on drug control. Two States aren't participating this year and 10, I believe, roughly, have requested a waiver, meaning that they will have to put 100 percent of their formula funds into meeting those Juvenile Justice mandates, which would mean not addressing the high risk youth problem that you have identified.

REQUEST TO DOJ AND OMB FOR HIGH RISK YOUTH

Mr. Smith. Well, these high risk youth don't necessarily start out with a drug problem, but they are very susceptible to getting into a drug problem.

Mr. White. Right.

Mr. Smith. Maybe your budget officer or Mr. Roper might want to respond. Do you have the figures that I asked for here?

Mr. Roper. Yes, sir.

Mr. Smith. What are they?

Mr. Roper. The request to the Department was for $15 million.

Mr. Smith. $15 million?

Mr. Roper. Yes.

Mr. **Smith**. And then that was what went to OMB, and OMB cut it back to $7 million?

Mr. **Roper**. No. No, sir. The Department actually cut it back slightly. The Department had proposed to OMB that there be a 25-percent match on the Juvenile Justice high risk program, and then eventually the Administration's request called for a 50-percent match. That is why you see the eventual request of $7.5 million.

1990 EMERGENCY ASSISTANCE PROGRAM

Mr. **Smith**. I see. This $10 million emergency assistance for Hurricane Hugo and the California earthquake, what is the status of that?

Mr. **White**. Well, I believe that California made a request for roughly $5 million, backing out the Gramm-Rudman amount, and that award was made some time ago. South Carolina, I believe received an award for its full request of $1.6 million, which would still permit under conference report terms about $3.4 million for those states impacted by Hurricane Hugo.

Mr. **Smith**. You mean there is that much left?

Mr. **White**. That is correct.

Mr. **Smith**. And they have not applied for that?

Mr. **White**. That is correct, and we have undertaken some outreach efforts to ensure that the relevant states are aware of the availability of those funds.

Mr. **Smith**. Do you expect them to apply for it?

Mr. **White**. I hesitate to give a definite answer, but we will continue our effort so that if there is a need, they will be aware of the funds, and we will process applications as expeditiously as possible.

REGIONAL INFORMATION SHARING SYSTEM PROGRAM

Mr. **Smith**. Now explain your proposal concerning the funding for the RISS program.

Mr. **White**. Well, what this would provide is an escalating match, so that the Federal funding would be phased out by 1994. Of course, this is a change again from previous proposals which were a zeroing out. This change reflects the Administration's recognition that RISS is a valuable tool for the states and that it can be a valuable tool in the war against drugs. However, something that was originally a pilot project many years ago continuing to be funded at 100 percent by the Federal Government, does not provide an incentive for the states to make a contribution, which is perhaps commensurate with the benefits that they receive.

If I might also add, Mr. Chairman, I think that the logic behind an escalating match is similar to the one that you indicated for the Anti-Drug Abuse Act program. There are two provisions of relevance in the Anti-Drug Abuse Act program: one, the escalating match from 25 to 50 percent and, second, the notion that no program will be funded for more than four years. Again, the purpose would be to increase state investments.

So what we think this would do is allow that valuable program to continue this year at its full level with a 25-percent match, and then phase out the Federal appropriation for it. But it does evince our recognition of the importance of that program and reflects a new approach.

Mr. SMITH. But it is a program for which it is important that everybody participate, isn't it? They make a contribution to the system by being in it.

Mr. WHITE. Well, not every law enforcement agency joins. It is voluntary in membership requirements——

Mr. SMITH. But it is important to have as many in as possible.

Mr. WHITE. Well, I guess that that is indicated by the number who voluntarily join. Obviously those that aren't participating members don't feel that the benefits are sufficient, but the potential is there and it has indeed, we believe, borne some very positive results, which is why we are proposing to fund it at this level.

Mr. SMITH. I don't think there is anything that local law enforcement officers agree on more than the value of the RISS system.

MARIEL CUBANS PROGRAM

Now tell me about the Mariel Cubans. I think you proposed that to be zeroed out last year, too, didn't you?

Mr. WHITE. Correct.

Mr. SMITH. Yes. What is the support for your position?

Mr. WHITE. Well, these are individuals who are offenders under state law. They are not Federal offenders, and they are housed in state facilities. Federal budget stringency needs dictate that first priority on the limited resources be given to uniquely Federal functions, and it does not seem to us that that is at a priority level justifying continued funding.

Mr. SMITH. Are there as many of them as there were?

Mr. WHITE. I understand it is about the same. I can try to submit more detailed information for the record. I am afraid I don't have that information.

[The information follows:]

Mariel Cuban Program
Comparison By Year

State	Number of Inmates Original Request			Number of Inmates Verified			Inmate Months*			Award Amount		
	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990
Arizona	42	57	58	41	55	56	458	626	635	$95,202	$127,299	$120,567
Arkansas	20	34	27	19	31	26	190	254	248	39,483	51,665	47,076
California	85	173	184	72	148	161	749	1,353	1,364	155,630	275,068	259,033
Colorado	4	8	7	4	8	7	36	67	68	7,478	13,569	12,958
Connecticut	23	19	22	23	18	22	229	195	263	47,522	39,675	49,860
Delaware	...	...	1	...	...	1	...	...	3	...	...	576
District of Columbia	...	9	12	...	9	12	...	72	102	...	14,557	19,309
Florida	1,008	768	775	870	726	710	8,397	7,257	7,284	1,744,178	1,474,734	1,383,332
Georgia	53	78	105	48	69	83	472	767	927	97,944	155,953	176,114
Idaho	1	...	...	1	...	...	12	...	...	2,493	...	...
Illinois	76	82	87	62	73	75	610	788	761	126,776	160,093	144,562
Indiana	11	13	7	10	10	7	111	82	- 84	22,948	16,711	15,953
Iowa	4	7	4	4	4	4	41	36	48	8,579	7,357	9,116
Kansas	16	13	7	11	12	7	106	129	70	22,096	26,242	13,376
Kentucky	3	1	1	3	1	1	18	12	12	3,766	2,439	2,279
Louisiana	4	...	5	4	...	4	48	...	48	9,971	...	9,116
Maine	1	1	...	1	1	...	12	2	...	2,493	413	...
Maryland	20	27	24	13	20	22	130	190	247	26,969	38,578	46,954
Massachusetts	33	35	40	25	32	35	286	322	400	59,383	65,418	75,917
Michigan	63	46	111	60	46	107	566	472	1,191	117,538	95,875	226,190
Minnesota	11	13	19	11	13	19	111	130	162	23,093	26,385	30,735
Mississippi	3	6	2	2	2	2	24	24	24	4,985	4,877	4,558
Missouri	22	25	38	21	25	36	248	262	336	51,489	53,198	63,846
Montana	...	...	1	...	...	1	...	...	12	...	...	2,279
Nebraska	2	2	2	2	2	2	24	24	24	4,985	4,877	4,558
Nevada	44	43	39	42	41	37	468	410	365	97,252	83,376	69,334
New Jersey	204	227	158	177	163	140	1,862	1,563	1,550	386,774	317,583	294,377
New Mexico	7	3	5	3	3	5	36	36	57	7,478	7,316	10,921
New York	512	504	539	474	465	482	4,984	5,343	5,522	1,035,258	1,085,814	1,048,653
Ohio	10	12	18	10	12	16	118	139	176	24,595	28,187	33,426
Oklahoma	15	13	19	14	13	17	151	137	132	31,373	27,801	25,070
Pennsylvania	66	78	101	49	75	81	440	784	832	91,415	159,327	158,071
Rhode Island	19	18	13	18	15	12	179	159	121	37,177	32,333	22,999
South Carolina	9	10	6	8	4	6	91	48	51	18,799	9,755	9,730
Tennessee	2	2	1	2	2	1	24	24	12	4,985	4,877	2,279
Texas	170	161	187	148	136	167	1,327	1,569	1,819	275,702	318,769	345,390
Utah	5	8	8	5	6	5	35	55	36	7,306	11,122	6,856
Virginia	16	11	9	10	11	9	48	113	84	10,027	23,039	15,896
Washington	37	29	30	35	29	24	303	344	249	62,983	69,874	47,233
West Virginia	1	...	1	1	...	1	5	...	3	1,053	...	576
Wisconsin	114	78	81	111	78	80	1,121	816	810	232,842	165,844	153,925
Total	2,736	2,614	2,754	2,414	2,358	2,483	24,070	24,604	26,132	5,000,000	5,000,000	4,963,000

Number of States Reimbursed.. (38) (36) (39)

State Allocation Formula: The cost of each inmate per month times the number of inmate months for the respective State equals the total State allocation.

	1988	1989	1990
Allocation	$5,000,000	$5,000,000	$4,963,000
Inmate Months	24,070	24,604	26,132
Cost of inmate per month	$207.73	$203.22	$189.92
Actual average cost per inmate	$2,071	$2,120	$1,999
Average number of months per inmate	10.0	10.4	10.5
Average annualization cost per inmate	$2,493	$2,439	$2,279

* Rounded to the nearest month.

Budget Staff 3/29/90

QUESTIONS FOR THE RECORD

Mr. SMITH. We have some additional questions, but I think that you can answer them for the record. Thank you.

Mr. WHITE. Thank you.

[The following questions were submitted to be answered for the record:]

Questions Submitted by Congressman Dwyer

Office of Justice Programs

Operational Information System Support

QUESTION: As you know, the Bureau of Justice Assistance Discretionary Program Plan for 1990 was published in the *Federal Register* this Monday, March 19, 1990. The plan includes $300,000 for operational information systems support and computer training - a decrease of $400,000 from 1989. Traditionally, BJA has strongly supported interstate computer assistance because this infrastructure support provides vital information necessary for the 'war on drugs' and crime.

Does this decrease signal a change in priorities and, if so, what is the basis for this change?

ANSWER: Pursuant to the Anti-Drug Abuse Act of 1988, the Discretionary Program Plan of the Bureau of Justice Assistance (BJA) was designed to assist State and local units of government in implementing appropriate elements of the National Drug Control Strategy as well as other authorized program purpose areas. The plan is organized by priority objectives -- one of which is Information Systems. Over $10 million will be spent on information systems during 1990. Among the major initiatives in this area is a grant program to improve criminal history information systems through a program administered by the Bureau of Justice Statistics (BJS). This effort will improve overall levels of accuracy and completeness of criminal history records at the State level. In addition, it will continue funding to assist States through training and technical assistance in developing and implementing automated information systems. Other Information Systems programs in the BJA Program Plan include: (1) A Criminal Justice Simulation Models program that will develop computerized criminal justice simulation models and provide related training; (2) Operational Systems Support, which will provide training and assistance in the development, acquisition, and integration of information systems technology; (3) Computer Lab Capacity, a program to provide training and assistance to State and local agencies in automating criminal justice functions and implementing automated systems; (4) Criminal Justice Expenditure Analysis, which is a program to analyze criminal justice expenditures in order to update information used by BJA to determine the amount each State must make available to local units of government from its Drug formula grant funds; and (5) the Drug Data Clearinghouse, which provides assistance to all levels of government, through the identification, collection, and analysis of drug and crime information that is necessary for strategic planning.

For several years, the Office of Justice Programs has directed resources to criminal justice information system programs, particularly through two of the forerunners in this field -- SEARCH Group, Inc. and the Criminal Justice Statistical Association. Since 1980, SEARCH Group, Inc. has received grant awards totalling $9.6 million and will likely receive at least an additional $350,000 this year. The Criminal Justice Statistical Association has been awarded more than $4.8 million since 1982 and is expected to receive approximately $1,130,000 during the balance of this fiscal year.

QUESTION: The Office of Justice Assistance Discretionary Plan for 1990 calls for $9,000,000 to assist States in meeting voluntary standards for reporting arrests and dispositions. This is a key element in the Attorney General's plan for identifying felons who attempt to purchase firearms.

Precisely how will this money be used?

ANSWER: Awards will be made to the States under this program to:

1. Update, interpret or create offense codes or other data recorded in criminal history record systems which will enable a State to accurately identify individuals convicted of felony charges. Emphasis would be placed on arrests and convictions made within the last five years.

2. Establish systems and procedures to ensure that complete arrest, disposition and custody information are recorded in the State's computerized criminal history (CCH) system. Convicted felons would be identified on an on-going basis and appropriate indicators would be set in their criminal history records.

3. Conduct a baseline audit of criminal history record systems to assess existing data quality levels, identify problems in the present system and establish a basis for evaluating the success of a data quality improvement program.

4. Convert manual offender identification data into an automated format. This information would be used to add to an existing Master Name Index (MNI) or to establish a MNI with pointers to automated and manual criminal history records. Individuals identified as being ineligible to purchase firearms could be flagged in the MNI.

5. Establish a CCH system or add to and enhance offender information in an existing system. The State must develop a cost effective strategy designed to meet the needs of criminal justice practitioners and identify felons at minimal costs before cost for conversion activities will be funded. Limited funds will be available for States without a computerized system to

design a CCH system and to develop a strategy for data conversion. Additional funding may be available for system or data conversion once the necessary system design has been completed.

6. Upgrade existing data systems to meet improved data quality requirements by obtaining auxiliary equipment such as disk drives, printers, communication lines, etc. Program funds may not be used to obtain primary CCH equipment unless criminal history record information is being automated for the first time and currently available equipment in the State repository is at maximum capability.

7. Meet voluntary Federal reporting standards developed by BJS and the Federal Bureau of Investigation (FBI). Program funds may also be used to provide the FBI with information on individuals convicted of a felony offense and to assist States to participate in the Interstate Identification Index (III) program.

QUESTION: Will money be available for improving the accuracy and completeness of criminal history data in general or only to assist in compliance with Federal standards?

ANSWER: Program funds will be available: (1) to improve the quality and timeliness of criminal history record information; (2) to enhance State criminal history records in order to identify felons attempting to purchase firearms; and, (3) to comply with Federal voluntary reporting standards. The focus of this program is to improve reporting of all criminal justice actions and dispositions to State and Federal criminal history record systems, particularly those arrests and dispositions occurring in the last five years; to increase automation of criminal history records at the State level; and to meet FBI reporting standards.

QUESTION: Does the Bureau of Justice Assistance anticipate using demonstration programs and other programs aimed at replicating the success that some States have had in improving the accuracy and completeness of their information systems?

ANSWER: Demonstration and other programs aimed at replicating the success that some States have had will be funded. In addition to direct funding to the States, BJS will fund, from its Statistical program funds, a series of workshops and conferences aimed at sharing successful procedures and techniques for improving the quality of criminal history records. Specific initiatives include:

At an April 1990 workshop in Washington, D.C., representatives from ten States will discuss their audit experiences and problems.

Five States will be visited from April through August 1990 to document data quality issues in detail and evaluate innovative procedures for improving data quality.

At two data quality workshops in Washington, D.C. in May and September 1990, representatives from ten States will discuss impediments to improving data quality. A national conference will be convened in June 1990 to identify and discuss problems and procedures to improve the quality and completeness of criminal history record data.

The proceedings of the conference and all of the workshops will be published for general dissemination.

QUESTION: Does the Bureau of Justice Assistance anticipate using any of this money for computer system support involving technical assistance and training.

ANSWER: BJS will establish procedures to provide States participating in the program with technical information on procedures and techniques used by other States to successfully meet program goals and objectives. Periodic site visits will be made to selected States and information will be disseminated through publications, bulletins, and regional or national meetings. In addition, technical assistance programs currently funded by the Office of Justice Programs will be continued. Since 1976, BJS has funded SEARCH Group, Inc. to operate the National Clearinghouse of Criminal Justice Information Systems. Activities of the Clearinghouse include the operation of an electronic bulletin board that is available to the criminal justice community via a toll-free telephone number; maintenance of an index of automated criminal justice information systems throughout the United States; provision of telephone technical assistance; and systems and statistics training in four States each year. Moreover, BJA currently supports on-site technical assistance, on-site training, and the operation of training centers in Washington, D.C. and Sacramento, California.

Development of a Less-Than-Lethal Weapon

QUESTION: Could you provide detailed information on this $1.8 million increase for the National Institute of Justice to continue the development of an effective less-than-lethal weapon for the use of law enforcement officers in the United States?

ANSWER: If the request for $1.8 million is approved, the intensive experimental work needed to test the safety and efficacy of the chemical compound selected for Less-than-Lethal-Weapon (LLW) use would begin. Work to date has been to identify potential compounds and to conduct preliminary testing. So far, two out of six compounds have been examined; the $1.8 million request is based on successful preliminary work on the second compound now being tested. If this compound, hypnodil, is found to be a likely candidate, a number of extensive experiments must be undertaken to ensure that it meets FDA standards. The research is being conducted at the U.S. Army Chemical Research Development Engineering Center in Aberdeen, Maryland, which has established the following protocol for testing. First, ninety-day long-term testing ($600,000) must be done to assess the health hazards associated with long-term exposure at low levels, such as that encountered by personnel involved in the compound's storage or by law enforcement officers who may handle it often. Second, blood level analysis ($50,000) is needed to determine the correlation between blood levels of the agent and its effects. Third, two reproductive toxicity testing ($600,000) experiments are needed. These tests are to determine if there are any effects of the agent on the ability of a species to reproduce. Fourth, metabolic studies ($200,000) are required to determine how the body chemically absorbs and expels the agent. Finally, a phase I clinical test would be run ($350,000).

QUESTION: Are you working in conjunction with the FBI in this regard?

ANSWER: The National Institute of Justice (NIJ) has coordinated this project extensively with the FBI Laboratory and has been assured that the FBI supports this research. The FBI, along with many other Federal law enforcement agencies, participated in the 1986 Attorney General's Conference on Less-than-Lethal Weapons which synthesized the information on the possibility of developing an LLW and recommended that the funding initiative be pursued.

Missing Children Program

QUESTION: Was the Missing Children Program helpful or involved at all with the Melissa Brennan case?

ANSWER: The National Center for Missing and Exploited Children (NCMEC), a non-profit organization which receives Missing Children funds, reports that it provided immediate and major technical assistance to the Melissa Lee Brannen case of Lorton, Virginia. Within hours of her abduction, a Case Manager was assigned and sent on-site. Since then, the NCMEC reports that it has:

- provided 85,000 photo flyers done free by PIP Printing with a photo enhanced by NCMEC/Sony/QMA within hours of the abduction;
- provided counseling and support to the family on dealing with the media, dealing with stress, and technical aspects of case handling;
- provided two Search & Rescue experts from the North Carolina Missing Children Clearinghouse for on-site technical assistance to the Fairfax County Police Department and family;

- provided assistance and liaison for the reward system offered by the family/police;
- provided case management and analysis for over 150 sightings/leads called into NCMEC's Hotline;
- provided media liaison for the family to the national media and press;
- provided her photo/bio to major national media/press and numerous interviews for media/press and a 10-second video tape for the media to use throughout the nation;
- provided technical assistance to the Fairfax County Police Department and the FBI.

The NCMEC continues to provide case assistance to the Brannen family and plans to do so until the child is located.

Bureau of Justice Assistance 1990 Discretionary Program Plan

QUESTION: According to the March 19, 1990 Federal Register, the Bureau of Justice Assistance Discretionary Program Plan funding suggest a substantial reduction, of about $30 million, in the amounts that will be made available to the States in 1990, but a substantial increase in the amounts that will be made available to the Federal Government.

Why this change in formula?

ANSWER: There is no formula for distributing the discretionary funds. The goal of the program remains drug control and the improvement of State and local criminal justice systems, with particular emphasis on law enforcement activities. In some instances, other Federal agencies may be the most effective vehicle for providing training and technical assistance to State and local agencies. Without the participation of Federal agencies, programs of this type may be delivered through a third party. In devising the plan this year, the intent was to bring greater efficiency, consistency, and coordination to Federal efforts to forge stronger partnerships with the States and localities in controlling crime.

QUESTION: Why is discretionary money being made available to the Federal Government instead of the States in 1990, since this is a State nct a Federal, program?

ANSWER: Eighty percent of the monies for the Edward Byrne Memorial State and Local Law Enforcement Assistance Program is awarded directly to States in formula (or "block") grants. The remaining 20 percent (not to exceed $50 million) is for discretionary grants that "provide additional Federal financial assistance to public or private agencies and private nonprofit organizations. . ."

(Section 510(a) Omnibus Crime Control and Safe Streets Act, as amended). All of the discretionary funds awarded by the Bureau of Justice Assistance will be used to benefit State and local criminal justice systems. Throughout the history of the program, BJA has made awards to public and private agencies and entered into collaborative agreements with other Federal agencies to provide assistance to States and localities. These practices will continue in 1990.

The discretionary program plan was written to make the most effective and efficient use of BJA's funds. In instances where another bureau, office or Federal agency possesses special expertise in a program, the States are best served if that bureau, office or agency takes the lead in the program's administration. This assistance could come in several forms, by transfer of funds, joint funding, memorandum of understanding or through other collaborative efforts. Utilizing existing Federal expertise in training and administration may, in some cases, more directly and cost-effectively serve the interests of States and localities than would direct grants to intermediary nongovernmental third party providers. Examples of such arrangements in the past include administration of the Drug Use Forecasting program and development and monitoring of independent evaluations of BJA programs. These projects are funded by BJA and carried out by NIJ. In addition, training in asset forfeiture has been provided by the FBI. Finally, the use of interagency agreements may be particularly appropriate in light of BJA's statutory mandate "to support national drug control priorities" and the theme of the President's National drug Control Strategy to enhance coordination among all Federal agencies in the delivery of assistance to States, localities, and the public.

QUESTION: Please provide for the record a specific breakdown of Federal, state and local funding under the Bureau of Justice Assistance Discretionary Program Plan for 1989 and 1990?

ANSWER: A breakdown of 1989 drug discretionary obligations by type of recipient is provided. For 1990, it is not possible at this time to provide a specific breakdown of obligations.

	State	Local	Public/Private
1989	$4,428,402	$12,170,062	$11,716,270

In addition, following are 1989 discretionary programs that were implemented with the assistance of other Federal agencies and entailed reimbursement by BJA of costs incurred to provide State and local assistance:

Federal Agency	Amount	Program
Drug Enforcement Administration	$200,000	Clandestine laboratory training and certification for State and local officials.
Federal Law Enforcement Training Center	75,000	Gang/drug training program for State and Local juvenile juvenile justice agencies.
National Highway Traffic Safety Administration	100,000	Pilot demonstrations of drug classification and evaluation process in Colorado, Arizona, New York, Virginia, Texas, Indiana, Utah, and other sites.
Executive Office U.S. Attorneys	25,000	Five-year analysis and on Organized Crime Drug Enforcement.
Drug Enforcement Administration	100,000	Conference on drug abuse and violence in America (participants included State and local law enforcement executives).

The BJA is one of five program offices that exist within the Office of Justice Programs (OJP) organization and appropriation accounts. All of these offices share a common goal, which is to implement innovative programs and foster improvements in the Nation's criminal and juvenile justice systems. Therefore, in many instances, BJA programs, as well as those of the other OJP components, are implemented in concert with other OJP offices. The following is a list of 1989 drug discretionary programs that were funded by BJA and jointly carried out by BJA and other OJP offices. Awards were made to State, local, or public/private agencies.

OJP Participating Office	Program	Award Amount	Grant/Contract Recipient
National Institute of Justice	Drug Use Forecasting	$655,550	Funds awarded to thirteen State, local, and public/private agencies.

OJP Participating Office	Program	Award Amount	Grant/Contract Recipient
Bureau of Justice Statistics	Data Center Clearinghouse for Drugs and Crime	$199,986	Research Triangle Institute
Office for Victims of Crime	National Resource Center Clearinghouse of information on victim-related subjects.	100,000	Aspen System Corp.
Office of Juvenile Justice and Delinquency Prevention	Development of a model school-based effort in the District of Columbia to design and implement a drug-free school zone April 23, 1990strategy	37,500	Cities in School, Inc.
National Institute of Justice	Evaluation program of BJA formula and discretionary grants.	50,092	Delaware Statistics Analysis Center
		197,298	Institute for Law and Justice
		214,694	Arizona Institute for Criminal Justice
		198,782	Arizona Institute for Criminal Justice
		499,893	Police Foundation
		288,210	Jefferson Institute
		44,221	Louisiana State University
		104,758	Criminal Justice Statistics Association
		254,281	Michigan State Univ.
	Subtotal	1,852,229	

OJP Participating Office	Program	Award Amount	Grant/Contract Recipient
Office of Juvenile Justice and Delinquency Prevention	Model program for converting public housing into opportunity centers.	$37,500	City of Wilmington, Delaware
National Institute of Justice	Drug testing technology study-comparison ness of the four urine testing technologies most commonly used.	81,989	Public Health Foundation of Los Angeles County, Inc.
		2,964,754	

QUESTION: When were these March 19, 1990 *Federal Register* guidelines originally due for release/print in the *Federal Register*?

ANSWER: The BJA plan does not have a statutorily-mandated publication date. Publication of the 1990 Program Plan compares favorably to previous years. In 1987, the Plan was published on March 19, 1987; the 1988 Plan was issued on March 8, 1988; and for 1989, it was published on January 9, 1989. In 1990, final funding levels were not determined until late December because of the Gramm-Rudman-Hollings sequester and, programmatically, a more detailed review and analysis was necessary: 1) to ensure consistency with the President's National Drug Control Strategy, which was released in January; 2) to ensure appropriate coordination with other Federal drug control agencies; 3) to address projects earmarked for funding in the Conference Report accompanying the 1990 Appropriation Act; and 4) because many programs were three-year continuations that expired last year, a more thorough review and analysis was required to determine what new programs would be undertaken.

QUESTION: Please explain what you mean by "collaborative work" with the Federal Government in relation to this program?

ANSWER: Collaborative efforts range from advice from another agency/organization to actual involvement in development or implementation of programs.

WITNESSES

Page
Atsatt, M.B 963
Axelrad, Jeffrey 1219
Ayer, D.B 217, 1117
Baer, B.F 1591
Baker, W.M 625
Black, P.M 1865
Brixey, J.A 625
Burke, T.M 963
Clark, C.A 1591
Colgate, S.R 1219
Collins, A.E., Jr 1361
Cook, W.P 1615
Coon, E.L 1219
Curtis, A.A 1, 217, 495, 567, 625, 825, 963, 1117, 1219, 1317, 1361, 1409, 1431, 1591, 1615, 1799, 1865
Flickinger, H.H 1, 217, 495, 567, 825, 963, 1117, 1219, 1317, 1361, 1409, 1431, 1591, 1615, 1799
Flint, M.E 1219
Flores Hughes, Grace 1361
Ford, R.N 1219
Glod, S.J 1409
Hayes, A.D 1361
Hayes, R.J 825
Houk, W.B 1431
Huggins, M.W 1431
Kay, Richard 963
Kramer, F.W 1117
Lawn, J.C 963
Lempres, M.T 1615
Logan, J.E 1317
Love, M.C 1117
Macrae, E.C 1615
Marble, L.W 1591
McCracken, D.M 1317
McNary, Gene 1615
McWhorter, L.S 495
Milhollan, D.L 1219
Moore, K.M 825
Moscato, A.C 1799
Mueller, D.R 1615
Padgett, G.B 1361
Perrelli, T.N 1615
Quinlan, J.M 1431

	Page
Quinn, D.P	963
Richmond, J.G	495, 1219
Rill, J.F	567
Roper, M.J	1, 217, 495, 567, 625, 825, 963, 1117, 1219, 1317, 1361, 1409, 1431, 1591, 1615, 1799, 1865
Safir, Howard	1219
Seiter, R.P	1431
Sessions, W.S	625
Sweda, D.J	1431
Thornburgh, Dick	1
Twardy, S.A., Jr	495
Twomey, J.J	825
Vander-Staay, A.J	1799
Weinig, Lawrence	1615
Weiss, J.L	1361
Whalley, J.L	567
White, C.J., III	1865
Williams, M.S	1615

INDEX

Page

Antitrust Division 567
- Biographies:
  - Rill, James F 600
  - Whalley, Judy 600
- Boxing monopoly 614
- Budget request 601
- Enforcement:
  - Criminal 601, 605
  - Merger 602, 607
  - Other priorities 602, 608
  - Renewed 617
- Hart-Scott-Rodino Premerger Notification Filings:
  - Challenges 616
  - Fees 609, 613, 616
  - Impact of reduced earnings 616
  - Revenue 609, 613
  - Shortfall 616
  - Strategic mergers, Decline of 613
- Health care industry 615
- Justification 568
- Plaintiffs and defendants, Support of 611
- Questions for the record 623
- Resources:
  - 1991 available resources 624
  - Priority of 614
  - Requirements, 1989 base 623
- Securities exchanges, Tax on 615
- Statement:
  - Formal 604
  - Opening 600
- Trends, Articles on current merger 619
- Workload:
  - Federal Trade Commission, Division with 612
  - Merger 617

Assets Forfeiture Fund (See Attorney General and United States Marshals Service)

Attorney General 1
- Absorptions 207
- Administratively uncontrollable overtime 111, 130
- Agents:
  - Compensation 157
  - Request 111, 130, 211

Attorney General—Continued
Page
- Agents—Continued
  - Retirement 157
  - Drug enforcement 160, 211
- Annualization 114, 129
- Antitrust 93, 117, 135
- Assets Forfeiture:
  - Equitable sharing 93, 157
  - Receipts 93, 110, 160
  - Use of 93, 110, 149, 157
- Attorneys, United States 114, 135, 159, 173, 200
- Authorization Act 98
- Bankruptcy investigation 213
- Boot camps 145, 168
- Budget Summary 2
- C-Chase, Operation 90
- Civil Rights 93, 116
- Compensation 157, 207
- Crime:
  - Violent 91
  - White-collar 92, 96, 112, 170
- Debt collection 93, 126
- Drug Enforcement Administration 107, 140, 160, 200, 206, 211
- Drugs:
  - Accomplishments 91, 95, 97, 102
  - Andean initiative 90, 158, 197
  - Anti-Drug Abuse Act of 1988 197
  - Chemicals, precursor 202
  - Colombia 90, 102, 158
  - Communications industry, Role of 129, 151
  - Cooperation, International 102, 158, 197
  - Courts, Effect on 150
  - Education, Role of 90, 102, 151, 159
  - Funding 91, 105, 107, 112, 149
  - Grants, Anti-Drug Abuse 91, 105, 123, 144, 166, 175, 199, 201
  - High Intensity Drug Trafficking Areas 161, 202
  - Homicides, Drug-related 201
  - Intelligence 156, 181
  - Interdiction 91, 104, 151
  - Law enforcement, Importance of 95, 151
  - Local government, Role of 167
  - Money laundering 90, 104, 153, 172
  - Special Forfeiture Fund 149, 160
  - Strategy, National 90, 101, 123, 161
  - Technology, Use of 156
  - United Nations Convention 90, 102, 158, 197
  - Use of 90, 95, 97
  - War on 90, 95, 105, 129, 197
- **Earmarks** 178
- **El Paso Intelligence Center** 181
- **Environmental enforcement** 92, 116, 171
- **Facilities Program 200** 126, 179
- **Federal Bureau of Investigation** 111, 137, 156, 173, 200, 206, 211
- **Fees and Expenses of Witnesses** 118, 136

Attorney General—Continued
Fraud:
Page
    Defense procurement ... 92, 96, 171
    Housing and Urban Development ... 92, 96, 171
    Savings and Loan ... 92, 96, 115, 152, 153, 171
    Telemarketing ... 211
Funding, 1990 ... 89, 100, 170, 199
General Administration ... 125, 134, 179
General Legal Activities ... 115, 134
Grants:
    Anti-Drug Abuse ... 91, 105, 123, 144, 166, 175, 199, 201
    Discretionary ... 176
    Distribution of ... 166
    Surveys and Investigations Staff study ... 177
Immigration and Naturalization Service ... 113, 141, 173, 200, 211
Inspector General ... 94, 126, 134
Jail space ... 202, 209
Justice System, Federal ... 106, 148, 149
Justification ... 2
Marshals Service, United States ... 119, 136, 200, 203
Money Laundering ... 90, 104, 153, 172
Office of Justice Programs ... 91, 105, 123, 144, 166, 175, 201
Ohio, Delegation from ... 129
Organized Crime Drug Enforcement ... 108, 137, 172
Organized Crime Strike Forces ... 91, 114, 131, 134, 173
Parole Commission, United States ... 134, 156
Polar Cap, Operation ... 90
Prisons:
    Aliens in ... 163, 164, 165
    Capacity ... 122, 145, 147
    Construction ... 94, 122, 130, 145, 147, 157, 162, 200, 209
    Drug Offenders ... 94, 205
    Funding ... 105, 121, 143, 145, 147, 149, 162, 200, 204, 205
    Incareration, Alternatives to ... 145, 147, 154, 155
    Military Facilities, Use of ... 162, 168, 204, 210
    Population ... 94, 121, 155, 163
    Priority ... 145
Questions for the record ... 172
Request:
    Base ... 207
    Budget ... 1, 89, 100, 152
    Office of Management and Budget ... 131, 132, 147, 149, 170, 173
RICO reform ... 165
Sentencing:
    Commission ... 154
    Guidelines ... 146, 149, 155
    Minimum ... 146
Sequestration ... 207
Statement:
    Formal ... 95
    Opening ... 89
Support of United States Prisoners ... 121
Training ... 206
Treasury, Protection of ... 93

Page

Attorney General—Continued
- Trustees, United States 119
- Vacancies 208

Civil Liberties Public Education Fund (See General Legal Activities)

Community Relations Service 1361
- Accomplishments 1394, 1397, 1403, 1406
- Justification 1362
- Mariel Cubans:
  - Custodial case responsibility 1404
  - Mental health program 1403
  - Population 1403
- Program success 1401, 1403
- Questions for the record 1406
- Reception, Processing, and Care Program 1395
- Reduction, Impact of 1403
- Statement:
  - Formal 1396
  - Opening 1393

Drug Enforcement Administration 963
- Accomplishments 1077, 1082
- Administratively uncontrollable overtime 1089
- Agents:
  - Allegations of discrimination 1115, 1116
  - Death of 1080
  - Special 1106
- Air Wing 1101, 1107
- Audit of 1090
- Automated data processing 1094
- Biography, Burke, Terrence M 1089
- Budget:
  - Justification 964
  - Request 963, 1089
- Chemical Control/Clandestine labs 1111
- Cooperation:
  - Inter-agency 1079
  - International 1099, 1109
- Demand reduction:
  - Education issue 1098, 1099, 1110
  - Efforts among agencies 1099
  - Program 1080
- Domestic Enforcement 1106
- Drugs:
  - Addicted newborns 1077
  - Cartels 1077, 1095
  - Distribution system 1097
  - Diversion, Control of 1109, 1111
  - Procedures 1091, 1092
  - Usage, Changes in 1096
  - User accountability 1100
- Drug Intelligence Center:
  - General discussion 1092, 1093, 1104

Drug Enforcement Administration—Continued
- Drug Intelligence Center—Continued
  - Page
  - Cost of 1093
  - Staffing of 1093
- Drug Trafficking:
  - Gang involvement 1097
  - High-intensity areas 1095
  - El Paso Intelligence Center 1093, 1104
- Firearms:
  - Controlling availability of 1112
  - Instructors 1101, 1109
  - Seizures of 1113
  - Semi-automatic assault weapons 1114
  - Use, Percentages of 1113
- Foreign offices 1110
- Future of 1096
- Growth of 1078
- Intelligence, Sharing of 1092
- International Drug Enforcement Conference 1079, 1100
- Operation SNOWCAP 1103
- Overseas operations 1103
- Questions for the record 1103
- Sequestration 1089
- Statement:
  - Formal 1081
  - Opening 1077
- Training:
  - Language 1108
  - State and local 1105

Federal Bureau of Investigation 625
- A-76 reductions 764, 789
- Administratively uncontrollable overtime 760, 767, 778, 786
- Asset forfeitures and seizures 805
- Automation 821
- Budget request 781, 788
- Drugs:
  - Crystal methamphetamine (Ice) 800
  - Enforcement 799, 798, 815, 819
  - Asian Gangs, Influence on trafficking 800, 819
  - Seizures 799
- Engineering Research Facility 818
- Felon Identification System 801
- Financial Institution Recovery Legislation 792
- Firearms 805
- Funding absorptions 793, 817
- Justification 626
- La Cosa Nostra 763, 800, 819
- National Crime Information Center 794
- National drug strategy 761, 770, 779, 799
- Organized crime 762, 773
- Organized Crime Drug Task Force 779, 819
- Pay:
  - Compensation, Comparison of 811

Federal Bureau of Investigation—Continued

Page

- Pay—Continued
  - Cost-of-living allowances (COLA) 786
  - National Advisory Commission on Law Enforcement 786
  - New York Demonstration project 786
- Program decreases 763, 779, 792
- Prosecutions of bank officials 796
- Questions for the record 817
- Racketeer Influenced & Corrupt Organizations (RICO) Statute 762, 820
- Retirement, Mandatory agent 787
- Sequestration 778, 817, 823
- State and local enforcement, Support of 794
- Statement:
  - Formal 765
  - Opening 759
- Toxic waste efforts 797
- Translation backlogs 821
- User fees 791,795
- Washington Metropolitan Field Office move 780
- White-collar crime 762, 772, 796, 807, 820

Federal Prison System 1431

- Budget reduction, A-76 1575, 1584
- Buildings and Facilities 1504, 1562, 1585
- Capacity expansion:
  - Cost effective approaches 1545
  - Plans for 1544, 1555
- Community corrections 1550
- Detention 1561, 1576
- Electronic monitoring 1556, 1558
- Federal Prison Industries 1531, 1551, 1556
- Health services 1548
- Holdover facilities 1565
- Incarceration, Alternatives to 1582
- Justifications:
  - Buildings and Facilities 1504
  - Federal Prison Industries 1531
  - National Institute of Corrections 1489
  - Salaries and Expenses 1432
- Medical costs 1560
- Military base closures 1559, 1571, 1573
- National Institute of Corrections 1489, 1551, 1556
- Plea bargaining 1562
- Population:
  - Adjustment 1584
  - Changes in 1571
  - Drug treatment 1548
  - Escapes 1567
  - Growth/Projections 1540, 1554, 1557, 1561
  - Inmate literacy 1549, 1556, 1568
  - Legislation, Impact of 1563
  - Medical costs 1560, 1586
  - Overcrowding 1542, 1566
  - Recidivism 1567

Federal Prison System—Continued
- Prison:
  - Page
  - Construction 1554, 1588
  - Facilities, activation of new 1547, 1574, 1583
  - Facilities, jointly run 1570
  - Fairton, New Jersey 1576
  - Leasing 1565, 1586
  - Military bases 1559, 1571, 1588
  - Modernization and repair 1546, 1555
  - Privatization 1558
  - Staffing 1547, 1549, 1555, 1573, 1574, 1583
- Questions for the record 1578
- Recidivism 1567, 1570
- Rehabilitation 1570
- Salaries and Expenses 1432, 1547
- Site acquisition 1573, 1578
- Staffing:
  - Existing institutions 1547
  - Increases 1549, 1555, 1573, 1574, 1583
- State and local acquisition of military bases 1573
- Statement:
  - Formal 1540
  - Opening 1554

Fees and Expenses of Witnesses (See General Administration)

Foreign Claims Settlement Commission 1409
- Claims:
  - Iranian 1422, 1426
  - New in 1991 .... 1422, 1425
  - Vietnam War 1423
- Expenses 1423, 1427
- Funding impacts 1429
- Justification 1422
- Overseas presence 1429
- Responsibilities/Functions 1422, 1424
- Statement:
  - Formal 1424
  - Opening 1422

General Administration/Fees and Expenses of Witnesses 1219
- Automated Data Processing:
  - Acquisition of 1303
  - Departmental policy 1301
  - Support, lack of 1300
  - Strategic plan 1299, 1301
- Budget:
  - Reductions in 1294, 1295
  - Request, summary 1219, 1279, 1280, 1293, 1297, 1298
- Case Management System 1298, 1299
- Comprehensive Advanced Systems Expansion Case Project 1302
- Computer Security:
  - General discussion 1299
  - Management Committee 1299, 1300

General Administration/Fees and Expenses of Witnesses—Continued Page

- Daewoo trial 1315
- Data Centers:
  - Cost benefit analysis of 1305
  - Dallas 1304
  - Relocation of 1304, 1305
  - Washington 1304
- Debt Collection 1278, 1294, 1295
- Ethics Reform Act of 1989 1279
- Executive Office for Immigration Review 1294
- Expert witnesses:
  - Alternatives for lower costs 1314
  - Cost of 1314
  - Ceilings on 1314
- Exxon-Valdez 1292, 1314
- Facilities Program 2000 1220, 1280, 1297, 1298
- Fraud, Civil remedies 1279
- Information resources management 1302
- Justifications:
  - General Administration 1220
  - Fees and Expenses of Witnesses 1264
- No-year funding:
  - Drug Enforcement Administration 1307, 1309, 1310
  - Federal Bureau of Investigation 1307
  - History 1309, 1310
  - Immigration and Naturalization Service 1307, 1308, 1309, 1310
  - Office of Justice Programs 1308, 1309, 1310
  - Support of U.S. Prisoners 1308, 1309, 1310
- Productivity improvement initiative 1279, 1295
- Project EAGLE 1300, 1301
- Protection of Witnesses 1293
- Questions for the record 1297
- Reorganizations:
  - Cost of 1306
  - Dallas, INS move 1305, 1306, 1307
  - USMS/DEA, Washington move 1306
- Reprogrammings; deadlines for 1311, 1312, 1313
- Statement:
  - Formal:
    - Fees and Expenses of Witnesses 1289
    - General Administration 1281
  - Opening:
    - Fees and Expenses of Witnesses 1293
    - General Administration 1278
- Supplemental, language change 1278
- Systems Policy Staff, responsibility 1301, 1302

General Legal Activities 217

- Attorneys, Civil Tax 485
- Automated Legal Support (ALS):
  - Contract 483
  - Exxon-Valdez Funding 444, 492
  - Medicare overpayments 488
  - Project EAGLE 484
  - Tax Division 482

General Legal Activities—Continued Page

- Biography, Ayer, Donald B. 429
- Civil Division 432, 436, 487, 488
- Civil Liberties Public Education Fund:
  - Eligibility, Verification of 460
  - Literature, Question and Answer 464
  - Payments 442
  - Program Description 458
  - Statement, Formal 450
  - Timeline 459
- Civil Rights Division 432, 438, 448
- Criminal Division 431, 439
- Discrimination, Immigration-related 479
- EAGLE:
  - ALS capability 484
  - Installation 444
  - Risk analysis 481
  - Security plans, management 481, 482
  - Standards 481
  - Uniformity 480
- Exxon Valdez:
  - ALS 444, 491
  - Funding 445
  - Litigation 446
- Financial Institutions Fraud:
  - Program Increase 445
  - Savings & Loan 487
- INTERPOL 442
- Justification 218
- Lands and Natural Resources Division 432, 437, 447, 487, 490
- Legal Activities Office Automation 433, 440
- Oil Spills, Arthur Kill and Kill Van Kull 447
- Organized Crime 445
- Organized Crime Strike Forces, Transfer of 430, 431
- Questions for the record 479
- Recruitment, Tax Division 484
- Redress Administration, Office of (See Civil Liberties Public Education Fund)
- Statement:
  - Formal 434
  - Opening 429
- Tax Division 430, 438, 482, 484, 485
- Vaccine Injury Cases 443, 479
- Workload, Civil Rights Division 448

Immigration and Naturalization Service 1615

- A-76 reductions 1785
- Administratively uncontrollable overtime 1764, 1781
- Airport inspection delays 1776, 1780
- Alien apprehension 1744, 1745, 1752, 1754, 1757, 1774, 1791, 1793
- Arrest authority, General 1753, 1754
- Automated Fingerprint Indentification System 1742, 1773, 1789

Immigration and Naturalization Service—Continued

Page

- Border Patrol:
  - Agent positions ... 1733, 1765, 1793
  - Canine program ... 1736, 1750, 1793, 1794
  - Seizures ... 1735
  - Vehicles ... 1733, 1736, 1767
  - Workload ... 1746, 1784
- Biography, McNary, Gene ... 1722
- Checkpoints:
  - San Clemente, California ... 1743, 1744, 1766, 1786, 1787, 1796
  - San Diego, California ... 1744, 1755, 1759
- Cooperation with:
  - Census Bureau ... 1756
  - Drug Enforcement Administration ... 1754
  - State Department ... 1739, 1740, 1788
  - U.S. Customs Service ... 1739, 1754, 1788, 1794, 1795
- Cross-Designation authority ... 1745
- Drug smuggling ... 1745
- El Paso Intelligence Center (EPIC) ... 1745, 1783
- Employer sanctions ... 1735, 1750, 1751, 1753, 1757, 1759, 1760
- Examinations Fee ... 1710; 1747, 1748, 1763
- Fraudulent document detection ... 1740
- Green cards ... 1741, 1752
- Immigration Emergency Fund ... 1718, 1763, 1764
- Immigration Reform and Control Act of 1986 ... 1734, 1750, 1751, 1757
- Interagency Border Inspection System (IBIS) ... 1768, 1771, 1772, 1788, 1789
- International Boundary and Water Commission ... 1755, 1756
- Justifications:
  - Immigration Emergency Fund ... 1718
  - Immigration Examinations Fee ... 1710
  - Immigration Legalization ... 1691
  - Immigration User Fee ... 1702
  - Salaries and expenses ... 1616
- Krome DetentionCenter ... 1765
- Machine-readable visa ... 1738, 1767, 1769, 1787
- Questions for the record ... 1761
- Refugees:
  - Central American ... 1764
  - Soviet ... 1747, 1748, 1761, 1762, 1791, 1792
- Reprogramming ... 1776, 1777
- Sequestration ... 1733, 1764, 1765
- Statment:
  - Formal ... 1725
  - opening ... 1722
- Supplemental alternative ... 1748, 1749
- User Fee ... 1702, 1742, 1762, 1781, 1785
- Vehicle crossing fees ... 1746
- Washington State issues ... 1757
- Weaknesses, Internal cost control ... 1749, 1781, 1782
- Western Identification Network ... 1744

Page

Office of the Inspector General 1799
- Administration 1828, 1836
- Attorney General oversight 1838, 1839
- Audits 1828, 1834, 1841
- Biography, Moscato, Anthony C 1828
- Budget request, 1991 1827, 1810
- Components 1827, 1839
- Investigations 1827, 1832
- Justification 1800
- Questions for the record 1839
- Responsibilities 1838
- Statement:
  - Opening 1827
  - Formal 1829

Office of Justice Programs 1865
- Anti-Drug Abuse program 1947
- Bureau of Justice Statistics 1946
- Crime Victims Fund 1943, 1951
- Drug strategies:
  - Evaluation efforts 1958
  - Statewide 1953
  - Multi-jurisdictional 1962
- Emergency Assistance Program 1966
- Evaluation efforts 1958
- Grants:
  - Discretionary program plan 1970, 1975, 1979
  - Drug grants, State and local 1952, 1962
  - Information systems 1970
  - Match requirement—formula 1962
- High Risk Youth, Request 1965
- Increases:
  - Anti-Drug Abuse program 1941
  - Statistical program 1941
- Justification:
  - Office of Justice Programs 1866
  - Crime Victims Fund 1923
  - Public Safety Officers' Benefits 1930
- Juvenile Justice program 1941, 1948, 1964
- Less-than-lethal weapon, Development of 1940, 1973
- Management and administration 1942, 1949
- Mariel Cuban program 1942, 1949, 1967
- Missing Children program 1941, 1947, 1974
- National Crime Survey 1946
- Office of Justice Programs 1944
- Public Safety Officers' Benefits 1942, 1950
- Questions for the record 1970
- Regional Information Sharing System 1942, 1966
- Statement:
  - Formal 1944
  - Opening 1940
- Teenagers, Drug use by 1964
- User accountability programs 1953

Page

Organized Crime Drug Enforcement 1117
  Attorney/agent ratio 1178, 1216
  Biography, Love, Margaret 1203
  Budget:
    Denial, Impact of 1217
    Increases, 1991 1211
    Justification 1118
    Request 1176, 1195
  Coordinators, Co-location of 1177
  Cooperation, State & local 1209
  Overtime:
    Administratively uncontrollable 1218
    State and local 1211
  Questions for the record 1213
  Reimbursement program:
    Participating agencies, Reimbursements to 1214
    Process 1176, 1211
    Workyear basis 1203
  Statement:
    Formal 1180
    Opening 1176
  Task Force program:
    Accomplishments 1178, 1190
    Background 1181
    Case standards 1210
    Direct funding 1216
    Enemy, Nature of 1187
    Effectiveness 1213
    Full-time dedication 1203
    Growth rate 1177
    Management improvements 1194
    Management study 1205
    Participation:
      Agencies 1183
      State and local 1185
    Structure 1182, 1204
    Success 1177, 1214
    U.S. Attorney involvement 1203

•

Support of United States Prisoners (See United States Marshal's Service)

United States Attorneys 495
  Asset forfeiture 560
  Annualization, 1990 increase 526
  Budget request, Level 539
  Case declinations 547
  Debt collection 533, 550, 558, 564
  Decreases, Program 558
  Drug:
    Prosecutions 530
    Resources, 1990 558
  Detention, Prisoner 547
  Equitable sharing 561
  Exit salary, U.S. Attorneys 548

United States Attorneys—Continued
- Financial institution:
  - Fraud 530, 542
  - Investigations 541
  - Investigators 541, 544, 545
- Hiring:
  - Background turn downs 539
  - Dalays 537, 538
  - Process, Length of 538
  - Unfilled positions 541, 552
- Justification 496
- Modular Cost, New assistant U.S. Attorneys 545, 551, 561
- Organized Crime Drug Enforcement 531, 540, 550
- Organized Crime Strike Force:
  - Attorney pay adjustments 544, 550
  - Effectiveness 549
  - Merger 548
  - Pay absorptions 544
  - Resignation, Chiefs 549
- Pay:
  - Absorptions 540, 544
  - Adjustment/Strike Force Attorneys 544, 550
  - Exit salary, U.S. Attorneys 548
  - New assistant U.S. Attorneys 564
  - Pay raise costs 540
- Personnel:
  - Allocations, New 560
  - Costs 552
  - On board 537, 538, 553
  - Vacancies 541, 552
- Project EAGLE 532, 542, 543
- Questions for the record 550
- Reprogamming request, 1990 551
- Rule, U.S. Attorneys 529
- Sequestration:
  - 1990 and 1991 535, 540
  - Impact 535, 559
  - Position lapse 535
- Space and equipment 536, 537, 543
- Staffing level:
  - Increase 540
  - Positions, New 537, 545
  - Reduction 536, 558
  - Unfilled positions, 1990 541, 552
- Statement:
  - Opening 526
  - Formal 527
- Training, new assistant U.S. Attorneys 561
- Transfer authority, Attorney General 547

United States Marshals Service, Support of United States Prisoners, Assets Forfeiture Fund 825
- ADP and telecommunications 950, 959, 960

United States Marshals Service, Support of United States Prisoners, Assets Forfeiture Fund—Continued

Page

Assets Forfeiture Fund:
  Awards for Information 960
  Funding of 927, 952
  Receipts 946
  Seized merchandise, disposal of 948
  Seized asset management 925, 936, 937, 947, 948, 951, 959
  Tracking system 952, 953, 954
  Value of seized assets 948
  Weaknesses in 947
Biography:
  Moore, K. Michael 941
  Twomey, John J 941
Budget:
  Justification 826
  Request 825, 927
Care of U.S. prisoners 956
Contract jail days 956
Cooperative Agreement Program 927, 935
Court security officers 946
D.C. Superior Court 925, 937, 938
Eleventh Circuit Court of Appeals 943
Foley Square:
  Courthouse 949
  Elevator 933, 949
Fugitive apprehension:
  Backlog of warrants 944, 945
  Program 925, 935, 936, 946
  Reduction in 944
Justifications:
  Assets Forfeiture Fund 913
  Support of U.S. Prisoners 897
  U.S. Marshals Service 826
Judicial process, Protection of 924, 928, 943
Limitation, Fees 955
Management and support services 925, 938, 939
Noriega, Responsibility of 957
Prisoner transportation and detention 924, 933, 934, 941, 942, 955
Questions for the record 959
Security:
  Judicial 929, 930, 945, 956, 957
  Prisoner 931, 932, 933
  Witness 930, 931
Sentry System 950, 951
Statement:
  Formal 927
  Opening 924
Supplemental, Proposed 944
Warrant Information Network (WIN) 960, 961

United States Parole Commission 1591
Biography, Clark, Carol Ann 1608
Budget request 1591

United States Parole Commission—Continued
  Electronic monitoring:
Page
    Hyattsville monitoring project 1609
    Monitoring program 1613
    Parolees, Monitoring of 1610
  Justification 1592
  Phaseout of commission 1608
  Questions for the record 1613
  Reimbursable positions 1613
  Sentencing guidelines, New 1611
  Statement 1608
  Workload 1610

United States Trustee System Fund 1317
  Attorneys Fees 1346, 1359
  Bankruptcy Cases 1355
  Biographies:
    Logan, John E 1345
    McCracken, David M 1345
  Disclosure Delay 1355
  Function of the Trustee 1356
  Justification 1318
  Obligations, 1989 and 1990 1360
  Oversight Responsibility 1357
  Performance Measures 1355
  Questions for the record 1360
  Statement:
    Formal 1348
    Summary 1345
  West Virginia, Bankruptcy Cases 1355